

DEPARTMENT OF COMMERCE AND LABOR
BUREAU OF LABOR

CHAS. P. NEILL, Commissioner

LAW RELATING TO INSURANCE
OF SALARIED EMPLOYEES
IN GERMANY

BULLETIN OF THE UNITED
STATES BUREAU OF LABOR
WHOLE NUMBER 107



WORKMEN'S INSURANCE AND COMPENSATION SERIES
No. 4



SEPTEMBER 3, 1912

WASHINGTON
GOVERNMENT PRINTING OFFICE
1913

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IMPERIAL LAW OF DECEMBER 20, 1911, RELATING TO INSURANCE OF SALARIED EMPLOYEES.¹

INTRODUCTION.

INTRODUCTION AND TRANSLATION BY HENRY J. HARRIS, PH. D.

PURPOSE OF THE INSURANCE.

Until recently social insurance legislation has been principally directed toward making provision for wage earners as contrasted with persons in receipt of salaries. The method of payment for the services rendered is, of course, but one manner of distinguishing those whose services consist principally of physical labor or manual effort from those whose services are principally of an administrative or supervisory character or consist largely of mental effort. The members of the first group are usually designated as workmen, laborers, etc.; those of the second as officials, clerks, etc. It is suggestive of the needs of the two groups that the workmen's insurance system of Germany first provided sickness and accident relief; then, after an interval, the invalidity and old-age relief was added; and, finally, after another interval, a system of relief for widows and orphans was provided. In the case of the salaried employees' insurance the system from the start consists of invalidity and old-age relief, together with provision for widows and orphans.

HISTORY OF THE INSURANCE.

The first country to adopt a separate and comprehensive system of invalidity and old-age insurance for salaried employees was Austria, whose law of December 16, 1906,² came into force on January 1, 1909. A description of this system will be found in the Twenty-fourth Annual Report of the Commissioner of Labor (Vol. I, pp.

¹ Versicherungsgesetz für Angestellte. Vom 20. Dezember 1911. Reichsgesetzblatt, 28. Dezember 1911, Seite 989-1061.

² A translation of this law is given in the Bulletin of the International Labor Office (English edition), Vol. I (1906), pp. 398 ff.

395-413.)¹ The adoption of this law proved a stimulus to the movement for a similar law in Germany, and it is probable that the inclusion of salaried employees in the 1910 old-age pension law of France was also of some influence. The old-age pension laws of Great Britain and certain other countries, where a noncontributory system is used, make no distinction between workmen and salaried employees, pension rights being based on residence and the absence of other income.

In Germany the first formal demand for a system of invalidity and old-age insurance for salaried employees came from an association of commercial employees in the Rhine district in 1895.² Other groups of employees formulated similar demands in 1898 and 1899, and in 1901 a number of these associations formed a federation to promote the movement. This organization grew rapidly, and in a few years the membership of the societies affiliated with it exceeded 700,000. From the titles of these societies it is evident that the greater number of the members were employed as clerks, salesmen, etc., in commercial establishments; technical experts, draftsmen, foremen, etc., in manufacturing plants; clerks, bookkeepers, accountants, etc., in offices; teachers, musicians, etc., in institutions of various kinds, and the like. Women employees were also largely represented.

Approximately three-fourths of these employees were already included in the workmen's insurance system, but the petitions submitted by them all base the request for additional benefits on the ground that the relief provided by the workmen's system was too small for their needs.

As in other countries, very little accurate information was available in Germany as to the economic condition of the salaried employee, and in October, 1903, the federation made an investigation of the earnings, expenditures, age, size of family, occupation, etc., of their members, particular emphasis being placed on the extent to which provision was made for old age, sickness, disability, and relief for widows and orphans. The work of compiling the information collected by the societies was done by the Imperial Statistical Office, and the results were published in a memorial which was transmitted to the Parliament in March, 1907.³

The federated societies had submitted a tentative outline of the benefits they desired the proposed insurance to provide; in general, the proposed scheme of benefits closely followed that provided by the existing laws for Government officials. On the basis of the returns

¹ Reprinted as *Workmen's Insurance in Austria*, by Henry J. Harris, Washington, 1912.

² See article by Alfred Manes, *Der Gesetzentwurf betreffend die Angestelltenversicherung*, in *Annalen für Soziale Politik und Gesetzgebung*, Vol. I, pp. 232 ff.

³ *Denkschrift über die wirtschaftliche Lage der Privatangestellten*, bearbeitet auf Grund der im Oktober, 1903, angestellten Erhebungen der Privatbeamtenverbände im Reichsamt des Innern, Berlin, 1907. (Drucksachen des Reichstags No. 226, 12. Legislaturperiode, I. Session, 1907.)

of the investigation of 1903, the memorial showed that the proposed scheme of benefits would require about 19 per cent of the earnings of the insured persons. The high cost of the proposed benefits made the adoption of that plan inadvisable, and practically all the political parties in the Parliament united in urging the administration to draft a modified scheme of benefits which could be provided at a materially lower expense. In March, 1908, a second memorial¹ was transmitted to the Parliament, outlining a system of benefits which would cost about 8 per cent of the earnings of the insured. The 1903 investigation had shown that there were in operation a number of voluntary insurance organizations of salaried employees which furnished benefits similar to those under discussion, and that the cost of these benefits was about 8 per cent.² The 1908 memorial outlined a system of benefits consisting of occupational invalidity pensions, of old-age pensions beginning at 65, of pensions for widows and orphans, together with some minor benefits, which could be provided at a cost of about 8 per cent of the earnings of the insured. The schedule of benefits outlined met with general acceptance, and after allowing time for discussion the administration introduced the first draft of a law in January, 1911, followed by a second draft in May, and on December 20, 1911, the bill became a law. As passed the bill contained substantially the same benefits as those given in the 1908 memorial.

GENERAL FEATURES OF THE LAW.

This law is the second social insurance act passed in Germany in the year 1911. The Workmen's Insurance Code (*Reichs-Versicherungsordnung*) of July 19, 1911,³ is a codification of practically all the workmen's insurance legislation of the Empire, and covers sickness, accident, invalidity, and widows' and orphans' relief. This code is the result of efforts to consolidate the workmen's insurance legislation into a uniform system. Independent of this system, and serving as a supplement to it, the insurance system for salaried employees will make provision for some employees who are not covered by the former, but about three-fourths of the persons insured are already covered by some phase of the workmen's insurance system. The official report accompanying the text of the salaried employees' bill estimates that about 2,000,000 persons will be covered by the law, and of these about 420,000 are women.

The cost of the system is to be met by a system of contributions or dues, half of which will be paid by the employee and half by the

¹ Denkschrift, betreffend die Pensions- und Hinterbliebenen versicherung der Privatangestellten, bearbeitet im Reichsamt des Innern, Berlin, 1908. (Drucksachen des Reichstags No. 986, 12 Legislaturperiode, I Session, 1907-9.)

² Entwurf eines Versicherungsgesetzes für Angestellte nebst Begründung. Amtliche Ausgabe. Berlin, 1911, pp. 59 ff.

³ Translated as Workmen's Insurance Code of July 19, 1911, by Henry J. Harris, in Bulletin 96 of the U. S. Bureau of Labor.

employer. The Government makes no contribution toward the insurance. The insured persons are divided into nine salary classes and in each of these classes the contributions or dues are the same, no distinction being made on account of sex, size of family, age, or state of health.

The contributions for the insurance are to be deducted from the employee's salary at the usual time of salary payment; the employer adds his half at the same time. The employer must paste special stamps of the value of the amount due on the employee's insurance card and must forward the sum collected within two weeks to the insurance authorities. The insurance is, of course, compulsory; voluntary insurance is permitted to only a limited extent.

The administration of the system is to be in the hands of a special Imperial Insurance Institute, and under its direction a corps of officials will have charge of the local offices necessary to transact the business of the insurance.

BENEFITS.

The law describes the persons insured in rather general terms as those who are employed for compensation in directing or administrative positions or positions of a clerical character and including persons employed on German vessels. If the salary received by these persons is in excess of 5,000 marks (\$1,190), they are not included. Insurance for the persons described is compulsory and takes place automatically through the requirement that the employer shall deduct the specified contributions from the wages of the insured.

As already stated, by far the great majority of the insured persons—at least 75 per cent—are already covered by the workmen's insurance system, so that the application of the present law will provide the greater part of the insured persons with two sets of benefits.

On attaining the age of 65 years the insured becomes entitled to a retirement pension regardless of his physical condition; a pension is granted earlier in case of disablement or invalidity which prevents the insured from carrying on his occupation or prevents him from earning at least one-half of what a physically and mentally sound person of similar training and ability is able to earn. In case of the death of the insured, his survivors—the widow and orphans—become entitled to pensions.

To obtain the benefits of the insurance, it is necessary for the insured to have paid contributions for a specified length of time—the so-called waiting term. In general this is 120 months, but is reduced as regards the retirement pension for women. The benefits consist of retirement (including both old age and invalidity) pensions, pensions to survivors (widow and orphans), medical treatment, return of contributions, and annuities.

The retirement pension is paid on the completion of the sixty-fifth year of age or on the occurrence of occupational disability. The yearly amount of this pension for men is one-fourth of the sum of the dues paid in during the first 120 months, plus one-eighth of the dues paid after that period; for women, the pension for disability occurring after the completion of 60 months is one-fourth of the dues paid in for the first 60 months, and this amount remains fixed for the rest of the 120 months' period, after which the pension is increased in the same manner as for men. Thus in the case of a man (in class E) whose salary is from 1,500 to 2,000 marks (\$357 to \$476) the monthly dues are 9.60 marks (\$2.28); multiplying 9.60 marks by 120 months and taking one-fourth of the product gives the minimum annual pension of 288 marks (\$68.54). In the great majority of cases this pension is, of course, in addition to that received under the workmen's insurance system.

The pension for a widow is two-fifths of the pension which the husband was receiving at the time of his death, or would have received had he been disabled. If she remarries, the widow receives a settlement of three times her annual pension. A disabled widower who had been supported by his wife receives a pension computed in the same manner during the continuance of his need.

Orphans under 18 years of age receive on the death of the father a pension equal to one-fifth of the widow's pension; if the mother is also dead, the pension is one-third of the widow's pension. An orphan's pension ceases on the completion of the eighteenth year of age; if he or she marries before this time, it ceases on the date of the marriage. The total amount of the pensions of the widow and orphans may not exceed the amount of the retirement pension.

The benefit described as "return of contributions" is granted to women insured under the law who marry after paying in contributions for more than 60 months and cease to be employed; this benefit is also paid to her heirs if an insured woman dies after paying contributions for the same period, provided that no claim for a pension has ever been allowed on her account. The amount of this benefit is one-half of the sum of the contributions to her credit; in other words, the actual amount paid in by the insured woman is returned. As a temporary measure, during the first 15 years after the law comes into force, a similar benefit of half the total contributions paid is granted on the occurrence of disability or on the death of an insured man or woman, provided that no valid claim to a pension can be established; this benefit, however, may be claimed only by a widow, a widower, or by children under 18 years of age, and is granted regardless of the length of time for which contributions have been paid.

Another benefit provided only for women is the "annuity" (*Leibrente*), granted when an insured woman leaves an employment subject to the insurance because of marriage or for other reasons. The claimant is allowed to fix the date on which the payment of the annuity is to begin, and, of course, the amount of the annuity increases the longer the date of payment is postponed.

As part of the benefits of the insurance, the insured persons may be granted such medical treatment as will prevent the occurrence of disability and the insurance authorities can even compel the insured to submit to such treatment by withholding the pension. During the stay of the insured in a hospital or similar institution, a benefit called "house money" must be granted to his dependents; this benefit is a daily sum equal to 15 per cent of the last monthly contribution paid on his account. The house money, however, is not paid if the insured is entitled to other benefits under other laws.

The date when the law comes into effect will be announced in the *Reichs-Gesetzblatt* and is expected to be early in 1913. The provisions relating to the organization of the insurance went into effect on the date of the approval of the act.

SECTION ONE.—SCOPE OF THE INSURANCE.

I. COMPULSORY INSURANCE.

ARTICLE 1.

PARAGRAPH 1. Insurance is provided under the provisions of this law in case of occupational invalidity (*Berufsunfähigkeit*) (art. 25) and of old age as well as in favor of the survivors (*Hinterbliebenen*), for the following persons from the completed sixteenth year of life:

1. Salaried persons (*Angestellte*) in directing positions, if the employment is their principal occupation;
2. Establishment officials, foremen, and other salaried persons in a similar advanced or higher position without regard to their previous education; salaried persons in offices in so far as they are not employed in inferior services or services which are entirely of a mechanical nature; in case of all of these persons, however, only if this employment is their principal occupation;
3. Clerks in mercantile establishments and in pharmacies;
4. Members of the stage and of orchestras without regard to the artistic value of their services;
5. Teachers and tutors;
6. The following persons who belong to the crews of German seagoing vessels and to the crews of vessels engaged in inland navigation: Captains, officers of the deck service and engineer service, pursers and assistant pursers (*Verwalter und Verwaltungsassistenten*) as well as salaried persons in similar advanced or higher positions without regard to their previous education; in case of all of these persons, however, only if the employment is their principal occupation.

PAR. 2. Every vessel shall be considered as a German seagoing vessel, which sails under the German flag and is exclusively or principally used for maritime navigation.

PAR. 3. The prerequisite of the insurance in the case of all these persons is that they shall not be incapacitated for their occupation (*berufsunfähig*) (art. 25), that they shall be employed for compensation (*Entgelt*) (art. 2) as salaried persons, that their annual earnings do not exceed 5,000 marks [\$1,190], and that on entering the employment subject to the insurance, they have not yet completed the sixtieth year of age.

ARTICLE 2.

PARAGRAPH 1. In the meaning of this law compensation includes in addition to salary or wage, such payments as shares in profits, payments in kind and other payments which the insured person receives, even if only as a matter of custom, instead of salary or wage, or in addition thereto, from the employer or from third persons.

PAR. 2. The value of the payments in kind shall be computed on the basis of local prices, which shall be determined by the lower administrative authorities.

ARTICLE 3.

The insurance also includes Germans who are employed in a foreign country at an official representation of the Empire or of a Federal State or are employed by the heads or members of the same.

ARTICLE 4.

The Federal Council may as a general measure, extend the insurance obligation to such persons who carry on an activity similar to those named in article 1 for their own account without employing salaried persons in their establishment.

ARTICLE 5.

The Federal Council may specify to what extent the German employees of foreign States, and such persons who are not subject to German jurisdiction, must fulfill the obligations of the employer.

ARTICLE 6.

The employment of one consort [i. e., husband or wife] by the other does not establish an obligation to insure.

ARTICLE 7.

An employment for which only free maintenance is granted as compensation, is exempt from the insurance.

ARTICLE 8.

The Federal Council shall specify to what extent temporary service shall be exempt from the insurance.

ARTICLE 9.

PARAGRAPH 1. Those persons shall be exempt from insurance who are employed in establishments or in the service of the Empire, of a Federal State, of a union of communes, of a commune or of a carrier of the imperial insurance for workmen or salaried persons, if there has been provided for them a right to retirement pension and survivors' pensions equal to not less than the minimum amount according to the rates of a salary class (art. 16) to be determined by the Federal Council; in such case the average income of the appropriate class of officials shall be considered.

PAR. 2. The same shall be applicable to the clergymen of religious societies recognized as public legal corporations as well as to teachers and tutors in public schools or institutions.

PAR. 3. Whether a right is to be considered as having been granted shall be decided by the imperial chancellor in the case of employees in establishments or in the service of the Empire or in the service of a carrier of the imperial insurance for workmen or salaried persons, if the carrier is supervised by the Empire; in other cases the decision shall be made by the highest administrative authority of that Federal State in whose establishments or service the employment takes place or in whose territory the union of communes or the commune is located or the carrier of the imperial workmen's insurance has its seat. In the cases mentioned in paragraph 2, the decision shall be made by the highest administrative authority of that Federal State in whose territory the corporation or the public school or institution has its seat.

ARTICLE 10.

PARAGRAPH 1. The following are exempt from the insurance:

1. Officials of the Empire, of the Federal States, of the unions of communes and of communes, clergymen of religious societies recognized as public legal corporations, teachers and tutors in public schools or institutions, but only so long as they are being educated for their occupation, as well as officials provisionally employed in the service of the Empire or State, and clergymen, provisionally employed, of religious societies recognized as public legal corporations;
2. Salaried employees in railroad, postal and telegraph establishments of the Empire or Federal States, who have in prospect their transfer to the status of officials and thereby a right to an adequate invalidity and survivors' relief;
3. Military persons who carry on one of the activities designated in article 1 during their service or during the preparation for a civil employment, to whom article 9 is applicable;
4. Persons who teach for compensation during the scientific training for their future occupation;
5. Physicians, dental surgeons and veterinary surgeons engaged in their professional activities.

PAR. 2. The authorities who are competent according to article 9, paragraph 3, shall decide whether the conditions specified in Nos. 1 and 2 are present.

ARTICLE 11.

On their own application, persons in the following two groups shall be exempt from the insurance, if they have been granted a retirement pension, service money or similar benefits, the minimum amount of which is at least equal to the rates of salary class A and in addition have been granted a right to survivors' benefits (art. 9); these two groups are:

Those who have been granted such rights by the Empire, a Federal State, a union of communes, a commune or an insurance carrier of the imperial workmen's insurance;

Those who have been granted such rights on the basis of a previous employment as teacher or tutor in public schools or institutions.

ARTICLE 12.

PARAGRAPH 1. The pension committee (art. 98) which is competent for the legal residence of the applicant shall decide on the application. If the applicant has no legal residence in Germany, then the pension committee of his permanent place of abode shall decide. On appeal, the arbitration court (art. 156) shall decide finally.

PAR. 2. The exemption takes effect from the receipt of the application.

ARTICLE 13.

PARAGRAPH 1. The pension committee shall revoke the exemption as soon as the prerequisites therefor cease to exist. On appeal the arbitration court shall decide finally.

PAR. 2. In case of waiver of the exemption and in case of its final revocation, the insurance obligation shall again come into force.

ARTICLE 14.

Upon application of the employer, the Federal Council may specify to what extent article 9, article 10, numbers 1 and 2, and articles 11 to 13 are applicable to the following three classes of persons:

1. Employees engaged in establishments or in the service of other public unions, or of corporations or of railroads for public traffic, or as teachers and tutors in nonpublic schools and institutions, if in such cases rights at least equal to those designated in article 9 have been granted them or if they are being trained solely for their occupation.

2. Persons to whom because of their previous employment by such unions or corporations or railroads, schools or institutions, retirement pension, service pension or similar benefits have been granted equal in amount to not less than the rates of the salary class (art. 9) specified by the Federal Council and in addition, a right to relief for their survivors (art. 9) has been granted.
3. Officials and employees of the court, domanial, cameralistic, forestry, and similar administrations of the State sovereigns, of the ducal regency of Brunswick, of the administration of the entailed estates of the princes of Hohenzollern and of the administrations of the mediatized (*standesherrlich*) nobility, as well as salaried employees in establishments, for whom a special invalidity and survivors' benefit system has already been provided by imperial or State regulations.

II. VOLUNTARY INSURANCE.

ARTICLE 15.

PARAGRAPH 1. Whoever has ceased to be engaged in an employment subject to the insurance and has paid dues for at least six contributory months because of being subject to the insurance, may continue the insurance voluntarily. If he has paid dues for 120 contributory months, then he may retain for himself the right to the benefits acquired up to that time by the payment of an acknowledgement fee (art. 172, par. 2).

PAR. 2. Under the same conditions the insurance may be voluntarily continued or kept alive even while the insured person remains in a foreign country.

III. SALARY CLASSES.

ARTICLE 16.

The following salary classes are constituted for the insured persons according to the amounts of the annual earnings:

- Class A: Up to (and including) 550 marks [\$130.90].
- Class B: Over 550 marks to 850 marks [over \$130.90 to \$202.30].
- Class C: Over 850 marks to 1,150 marks [over \$202.30 to \$273.70].
- Class D: Over 1,150 marks to 1,500 marks [over \$273.70 to \$357].
- Class E: Over 1,500 marks to 2,000 marks [over \$357 to \$476].
- Class F: Over 2,000 marks to 2,500 marks [over \$476 to \$595].
- Class G: Over 2,500 marks to 3,000 marks [over \$595 to \$714].
- Class H: Over 3,000 marks to 4,000 marks [over \$714 to \$952].
- Class I: Over 4,000 marks to 5,000 marks [over \$952 to \$1,190].

ARTICLE 17.

If the salary is paid in cash, but not in annual sums, then in order to determine the appropriate salary class, the annual earnings shall be considered as 52 times the weekly amounts paid, or 12 times the monthly amounts or 4 times the quarterly amounts. In computing shares in profits and similar receipts the amount of which is not fixed, the basis shall be the amount of the last year for which these payments have been received by the insured person. If, at the time when the monthly contribution falls due, payments of this kind have not yet been made to him from his present employment subject to the insurance, then the salary paid in cash shall be used in computing the annual earnings. For payments in kind, the value computed according to article 2, paragraph 2, shall be used as a basis.

ARTICLE 18.

Voluntary insurance is only permissible in a salary class not higher than that which is equal or approaches nearest to the average of the last six compulsory contributions.

ARTICLE 19.

PARAGRAPH 1. Previous to the completion of his 25th year of life, the insured person may have himself transferred to insurance in a higher salary class than that corresponding to the amount of his annual earnings.

PAR. 2. An insured person who takes up an occupation subject to the insurance obligation at a lower rate of pay than that of his previous salary class, may remain in his former salary class in case he has paid dues for at least six contributory months in the higher salary class on the basis of the insurance obligation.

PAR. 3. The employer is, however, obligated to pay the higher contributions only if he has agreed thereto.

SECTION TWO.—OBJECT OF THE INSURANCE.

I. GENERAL PROVISIONS.

ARTICLE 20.

The object of the insurance is the provision of retirement pensions and pensions to survivors.

ARTICLE 21.

A retirement pension is received by one who proves occupational disability (*Berufsunfähigkeit*) (art. 25.) or that he has reached the legal age, as well as fulfills the waiting term (*Wartezeit*) and that he has kept his claim in force.

ARTICLE 22.

Survivors' pensions are granted, if the deceased at the time of his death had fulfilled the waiting term for the retirement pension and had kept his claim in force.

ARTICLE 23.

Back payments of retirement pensions and other pensions will not be made for a longer time than one year, counting from the date of receipt of the application therefor.

ARTICLE 24.

PARAGRAPH 1. Whoever purposely brings occupational disability on himself, loses his claim to the retirement pension.

PAR. 2. If the insured person has brought occupational disability on himself by the commission of an act which according to the decision of a criminal court is a crime or a willful misdemeanor, then the retirement pension may be refused either in part or altogether. The contravention of mining regulations or of article 93, paragraphs 2 and 3, and of articles 95 to 97 of the Navigation Code is not considered as a misdemeanor in the meaning of the preceding sentence. The retirement pension may be allowed, either in part or altogether, to the dependents residing in the Empire, if the insured person had previous thereto maintained them either in part or entirely from his earnings. In the meaning of this provision, German protectorates are considered the same as the Empire.

PAR. 3. The retirement pension may also be refused if on account of the death, the absence or of any other cause connected with the person of the applicant, no penal decision is rendered.

II. RETIREMENT PENSION.

ARTICLE 25.

PARAGRAPH 1. A retirement pension is received by those insured persons who have completed the age of 65 years or who are permanently incapacitated for the exercise of their occupation because of physical disability or because of the weakness of their physical and mental faculties. Occupational disability is to be admitted, if the ability to work has diminished to less than the half of that of a physically and mentally sound insured person of similar education and equal knowledge and capacity.

PAR. 2. A retirement pension is also received by those insured persons who are not permanently disabled, but who have been disabled without interruption for 26 weeks, for the further continuation of the occupational disability (sickness retirement pension).

ARTICLE 26.

Without affecting the provisions of article 23 and article 25, paragraph 2, the retirement pension begins with the day on which the 65th year of age is completed or on which the occupational disability begins. The date on which the application for the retirement pension is received by the pension committee is considered as the latter date, in case the beginning of the occupational disability can not be determined.

ARTICLE 27.

Periods of time during which a retirement pension is received, but during which no employment subject to the imperial workmen's insurance is carried on, are, however, to be considered as contributory periods for the keeping in force of a claim to the benefits of the imperial workmen's insurance system.

III. SURVIVORS' PENSIONS.

ARTICLE 28.

The widow receives a widow's pension upon the death of her insured husband.

ARTICLE 29.

Orphans' pensions are received by his legitimate children under 18 years of age upon the death of an insured father and by her fatherless children under 18 years of age upon the death of an insured woman. Children not legitimate are also to be considered as fatherless.

ARTICLE 30.

PARAGRAPH 1. Upon the death of the insured wife of a disabled husband, who from her earnings has defrayed the cost of living of her family either wholly or in part, the legitimate children under 18 years of age receive orphans' pensions and likewise the husband a widower's pension as long as he is indigent.

PAR. 2. This also applies to the orphans' pensions, if at the time of the death of the insured woman, the marriage had been dissolved.

ARTICLE 31.

PARAGRAPH. 1. The legitimate children under 18 years of age shall receive orphans' pensions upon the death of an insured wife whose husband has absented himself without lawful reasons from the common household and has neglected to perform his paternal duty of support.

PAR. 2. This shall also apply, if at the time of the death of the insured woman the marriage no longer existed and the husband had neglected to perform his paternal duty of support.

ARTICLE 32.

Without affecting the provisions of article 23, the survivors' pensions begin on the day of the death of the one providing the support.

ARTICLE 33.

PARAGRAPH 1. The benefits under the law are also granted if the insured person has disappeared. He shall be considered as having disappeared if during one year no trustworthy news of him have been received and the circumstances make his death probable.

PAR. 2. The pension committee can demand from the survivors a solemn affirmation that they have received no other than the reported news concerning the existence of the missing person.

ARTICLE 34.

The pension committee in its discretion determines the date of the death of the person who has disappeared. In the case of the survivors of a person lost

at sea, the pension begins on the day of the sinking of the vessel, or if the vessel has disappeared, then one-half of a month from the day up to which the last news of the lost vessel reaches.

ARTICLE 35.

Survivors have no claim to the benefits of the insurance, if they have intentionally brought about the death of the insured person.

IV. MEDICAL TREATMENT.

ARTICLE 36.

PARAGRAPH 1. To prevent an insured person from becoming disabled as a consequence of sickness, the Imperial Insurance Institute (art. 96) may inaugurate a course of medical treatment (*Heilverfahren*), in so far as a carrier of the imperial workmen's insurance has not yet provided a course of medical treatment.

PAR. 2. The same applies, also, if it is to be expected that a course of medical treatment will restore his earning capacity, to the beneficiary of a retirement pension.

ARTICLE 37.

PARAGRAPH 1. The Imperial Insurance Institute may in particular place the sick person in a hospital or in an institution for convalescents.

PAR. 2. If he is married and lives with his family, or if he has a household of his own, or if he is a member of the household of his family, then his consent is necessary therefor.

PAR. 3. In the case of a minor, his consent is sufficient.

ARTICLE 38.

PARAGRAPH 1. Dependents of the sick person, whose maintenance he has wholly or principally defrayed out of the earnings of his labor, shall receive house money (*Hausgeld*) during the medical treatment (art. 37). Its amount per day shall be at least three-twentieths of the last monthly contribution which was paid.

PAR. 2. The house money ceases as long as and to the extent that wages or salary is paid because of a legal claim.

PAR. 3. The payment of the retirement pension (*Ruhegeld*) may be stopped either wholly or partly for the duration of the medical treatment.

ARTICLE 39.

If a sick person without legal or other appropriate reason withdraws from the medical treatment (art. 36) and if the occupational disability would probably have been prevented or removed through the medical treatment, then the retirement pension may be either wholly or partly disallowed for the time being, provided that the sick person has been notified of this result.

ARTICLE 40.

If the Imperial Insurance Institute inaugurates a course of medical treatment in the case of a sick person subject to the imperial workmen's insurance, then the Institute may discontinue the payment of the house money or of the retirement pension during the continuance of cash benefits from the imperial workmen's insurance up to the amount of these cash benefits.

ARTICLE 41.

In case of controversy between the Imperial Insurance Institute and the insured person in connection with the provisions of articles 37 to 40, the arbitration court shall decide finally.

ARTICLE 42.

Insurance in miners' sick funds and in substitute funds shall be considered as part of the imperial workmen's insurance (arts. 495 and 503 of the Imperial Workmen's Insurance Code).

ARTICLE 43.

The Imperial Insurance Institute shall not have a claim for reimbursement against the carriers of the imperial workmen's insurance on account of the inauguration of a course of medical treatment.

V. BENEFITS IN KIND.

ARTICLE 44.

PARAGRAPH 1. Recipients of a retirement or other pension may on their own application be placed in an invalids' or orphans' home, or in a similar institution. The cash benefits may be used either wholly or partly for this purpose.

PAR. 2. Homes for invalids and similar institutions shall be considered as hospitals, asylums and medical institutions in the meaning of article 11, paragraph 2, and article 23, paragraph 2, of the law on poor relief residence (Reichs-Gezetzblatt, 1908, p. 381).

PAR. 3. The act of placing in an institution obligates the beneficiary for the quarter of a year and if he does not object one month prior to the expiration of this period, then each time for an additional quarter; the obligation consists of the release of the cash benefits, as far as such are to be used.

ARTICLE 45.

PARAGRAPH 1. Chronic inebriates who have not been placed under a guardian may be granted benefits which are either wholly or partly in kind. Upon the application of an interested poor law union or of the officials of the residence of the inebriate, such action must be taken. In the case of chronic inebriates who have been placed under a guardian, benefits in kind may only be granted with the latter's consent. On the guardian's application the granting of benefits in kind becomes compulsory.

PAR. 2. The commune of the place of residence shall provide the benefits in kind. The commune shall then have a claim upon the cash benefits equal to the value of the payments in kind. The benefits in kind may also be granted by placing the beneficiary in a sanatorium for inebriates, or with the consent of the commune, through the services of an institution for the care of inebriates.

PAR. 3. Any residue of the cash benefits shall be transferred to the consort of the beneficiary, to his children or to his parents and in case such do not exist, then to the commune, to be used for his benefit.

ARTICLE 46.

PARAGRAPH 1. The pension committee shall issue the decree after a hearing of the communal officials and of the beneficiary, and shall communicate it in writing to them and to the Imperial Insurance Institute. The committee shall decide in case of controversy between the commune and the beneficiary. On appeal the arbitration court shall decide finally.

PAR. 2. If the claim to the cash benefits has been transferred finally to the commune, then the pension committee shall notify the post-office department.

VI. SPECIAL REGULATIONS FOR PERSONS REMAINING IN A FOREIGN COUNTRY.

ARTICLE 47.

PARAGRAPH 1. If beneficiaries give up their residence in the Empire, then they may receive a settlement amounting to one-half of the capitalized value of the benefits granted them. The tariff for the computation of the settlement shall be determined by the Imperial Insurance Institute with the approval of the Federal Council.

PAR. 2. For border territories the Federal Council may suspend this provision.

VII. WAITING TERM.

ARTICLE 48.

PARAGRAPH 1. The duration of the waiting term is as follows:

1. In regard to the retirement pension, for insured males, 120 contributory months, for insured females, 60 contributory months.
2. In regard to survivors' pensions, 120 contributory months.

PAR. 2. If less than 60 contributory months on the basis of the insurance obligation are proved, then in regard to the retirement pension, the waiting term for insured females is 90 contributory months, otherwise it is 150 contributory months.

VIII. LAPSING OF THE CLAIM.

ARTICLE 49.

After the calendar year in which the first contributory month is contained the claim lapses if within the next 10 calendar years following, less than 8 and after this time less than 4 contributory months during any one calendar year are included or the payment of the acknowledgment fee (*Anerkennungsgebühr*) (art. 172, par. 2) is not made.

ARTICLE 50.

PARAGRAPH 1. The claim comes again into force, if within the calendar year when the contributions are due or if within the calendar year following that when the acknowledgment fee becomes due, the insured person pays up the amounts in arrears.

PAR. 2. If a claim lapses during the waiting term, then upon application, the Imperial Insurance Institute may grant a respite for the payment of the arrears of contributions. The application must be filed before the expiration of the time designated in paragraph 1. Obligatory contributions paid later, may be used to cover arrears of contributions, for which a respite of payment has been granted, in so far as they are not requisite according to article 49. By using such contributions in this manner, the claim again comes into force.

IX. PERIODS WHICH SHALL BE INCLUDED IN THE COMPUTATION.

ARTICLE 51.

As contributory months in the meaning of articles 15 and 49, those calendar months shall be included in which the insured person:

1. In fulfilling the duties of military service, has been drawn into service either in times of peace, of mobilization or of war.
2. Had rendered voluntary military service in times of mobilization or of war.
3. Has been unable to work for a time on account of sickness and can submit proof that he was prevented from carrying on his occupation.
4. Was attending an educational institution recognized by the State, for the purpose of technical education. The highest administrative authorities shall specify which educational institutions are to be considered as recognized by the State in the meaning of this provision.

ARTICLE 52.

The period of convalescence shall be considered the same as that of sickness (art. 51, No. 3). The same rule shall apply for the continuance of two months in the case of inability to work which has been caused by pregnancy or a normal confinement.

ARTICLE 53.

A sickness will not be included, which the insured person has purposely brought on himself or has sustained in the commission of crime, determined as such by the sentence of a criminal court, or has brought on himself by culpable participation in rowdyism or disorderly conduct.

ARTICLE 54.

PARAGRAPH 1. Military services which have been performed shall be proved by the military papers.

PAR. 2. Periods of sickness shall be proved by certificates which are to be made out by officials designated by the highest administrative authorities.

PAR. 3. For attendance at an educational institution recognized by the State, a certificate of the director of the institution shall serve as proof.

X. COMPUTATION OF THE BENEFITS OF THE INSURANCE.

1. RETIREMENT PENSION.

ARTICLE 55.

The retirement pension (*Ruhegeld*) amounts—after the expiration of 120 contributory months—to one-fourth of the contributions paid during this time, and one-eighth of the other contributions.

ARTICLE 56.

If in the case of an insured female, the condition against which insurance is carried occurs after the expiration of 60 contributory months and before the completion of the 120 contributory months, then the retirement pension shall amount to one-fourth of the contributions paid in during the first 60 contributory months.

2. SURVIVORS' PENSIONS.

ARTICLE 57.

PARAGRAPH 1. The widow's pension or the widower's pension amounts to two-fifths of the retirement pension which the one providing the support received at the time of his death or would have received in case of occupational disability.

PAR. 2. Half orphans receive each one-fifth and orphans each one-third of the amount of the widow's pension.

ARTICLE 58.

PARAGRAPH 1. The widow's or widower's pension, plus the orphan pensions may not together exceed the amount of the retirement pension which the one providing the support received at the time of his death or would have received in case of occupational disability.

PAR. 2. If the pensions add up to a higher amount, then they shall be reduced in proportion to their size.

PAR. 3. When one survivor ceases to draw a pension, the pensions of the others shall be increased to the highest permissible amount.

3. ROUNDING OFF THE AMOUNTS.

ARTICLE 59.

Retirement and other pensions shall be paid in advance, in monthly installments, rounded off to sums of 5 pfennigs [1.2 cents].

XI. RETURN OF CONTRIBUTIONS.

1. IN CASE OF DEATH OF INSURED FEMALE SALARIED PERSONS.

ARTICLE 60.

PARAGRAPH 1. If an insured female dies after the expiration of the waiting term of 60 contributory months and before the receipt of a retirement pension (*Ruhegeld*) or annuity (*Leibrente*) and if there is no claim to a survivor's pension, then upon demand one-half of the contributions paid in on behalf of the insured person up to the time of her death shall be repaid as a settlement.

PAR. 2. In the order specified, the husband, the children, the father, the mother, and the brothers and sisters are entitled to this claim, if at the time of the death of the insured person, they were living in a common household with her or were supported to a material extent from the earnings of her labor. The claim lapses if it is not made effective within one year after the death of the insured person.

ARTICLE 61.

Instead of the settlement, the Imperial Insurance Institute may grant the beneficiary a life pension. The tariff for the conversion of the settlement into a pension shall be determined by the Imperial Insurance Institute with the approval of the Federal Council.

2. UPON LEAVING AN EMPLOYMENT SUBJECT TO INSURANCE.

ARTICLE 62.

If an insured female after the expiration of the waiting term for the retirement pension, leaves an employment subject to the insurance on account of marriage, then she shall have a claim to the return of one-half of the contributions paid in on her account. The reimbursement then excludes any further claim against the Imperial Insurance Institute.

XII. ANNUITIES.

ARTICLE 63.

Instead of the voluntary continuation of the insurance or of the maintenance of the accrued rights (art. 15) or of the return of the contributions (art. 62), an annuity will upon application be granted to insured females who leave an employment subject to insurance; this annuity shall be based on the value of the accrued rights to the retirement pension and according to the age of the applicant and shall be determined by the pension committee. Upon application of the beneficiary, the determination of the time of the beginning and of the amount of the annuity may be reserved to a later date. The tariffs for the computation of the value of the accrued rights and of the annuity shall be determined by the Imperial Insurance Institute with the approval of the Federal Council.

XIII. STOPPING THE BENEFITS.

ARTICLE 64.

PARAGRAPH 1. The pensions to widows and widowers cease on remarriage. As a settlement the widow shall be granted three times the amount of her annual pension. The claim lapses if it is not made effective within one year after the remarriage.

PAR. 2. The orphan's pension ceases as soon as the orphan completes his eighteenth year or marries.

ARTICLE 65.

PARAGRAPH 1. The amounts shall be paid in full for the month in which the death occurs and for the month in which the retirement or other pension ceases, under reservation of article 58, paragraph 3.

PAR. 2. If in addition to a part of a month of the retirement pension of an insured person, there are also the pensions of the survivors, then they shall have a claim to the retirement pension only.

ARTICLE 66.

If upon the death of the recipient, the retirement pension still due or the pensions still due, have not been collected, then in the order specified, the consort, the children, the father, the mother and the brothers and sisters are entitled thereto, if they had lived in a common household with the recipient at the time of his death or had been supported to a material extent by him from the earnings of his labor.

ARTICLE 67.

If an insured person or a person entitled to the receipt of a widow's or a widower's pension dies after he has filed his claim, then in the order specified the consort, the children, the father, the mother and the brothers and sisters, are entitled to continue the procedure and to receive the amounts due up to the date of death, if they have lived in a common household with the beneficiary at the time of his death or have been supported to a material extent by him from the earnings of his labor.

XIV. WITHDRAWAL OF THE BENEFITS.

ARTICLE 68.

If the recipient of a retirement pension is no longer in a condition of occupational disability as defined in article 25, then the pension committee shall withdraw from him the retirement pension.

ARTICLE 69.

Widowers' pensions granted under the provisions of article 30, shall be withdrawn by the pension committee as soon as the indigence of the recipient ceases.

ARTICLE 70.

A decision which withdraws a retirement or other pension, shall become effective with the expiration of the month in which it is delivered.

ARTICLE 71.

If a retirement pension is granted anew, then the previous payments of contributions shall be credited to the insured person.

ARTICLE 72.

If it is proved that an insured person who was treated as having disappeared, is still living, then the further payment of the survivors' pensions shall cease. The Imperial Insurance Institute is not required to demand the repayment of the amounts paid without a right thereto.

XV. SUSPENSION OF THE PENSION.

ARTICLE 73.

The retirement pension shall be suspended if it is received at the same time as—

1—pensions of the imperial workmen's insurance,

2—salary, wages or other income from gainful occupation, in so far as all receipts or the retirement pension together with one of the receipts specified under 1 and 2 exceed that amount of annual earnings which corresponds to the average of the 60 highest monthly contributions. In computing this average, the average of the highest and lowest annual earnings of the salary class (art. 16) for which the contribution is paid is to be reckoned for each monthly contribution. The amount of 450 marks [\$107.10] is to be reckoned as the average for salary class A.

ARTICLE 74.

Survivors' pensions shall be suspended if they are received at the same time as pensions of the imperial workmen's insurance, and if both together exceed six-tenths of the amount specified in article 73.

ARTICLE 75.

PARAGRAPH 1. Retirement and other pensions shall be suspended as long as the beneficiary is subjected to a penalty consisting of the loss of liberty for more than one month, or is placed in a workhouse or in a reformatory.

PAR. 2. If he has dependents in Germany whom he has been supporting either wholly or principally from the earnings of his labor, then the retirement pension shall be turned over to them.

ARTICLE 76.

Retirement and other pensions shall be suspended as long as the beneficiary regularly resides in a foreign country without the consent of the pension committee. In case the pension continues to be paid, the beneficiary must send in the medical certificates of his occupational disability which the Imperial Insurance Institute requires. The imperial chancellor shall specify the nature and the form of the certificates.

ARTICLE 77.

The Federal Council is authorized to continue the payment of the retirement pensions and other pensions for foreign border territory and for those States whose legislation grants to Germans and their survivors a relief corresponding to the provisions of this law.

ARTICLE 78.

In the meaning of articles 75 and 76 German protectorates shall be considered as being the same as Germany.

XVI. SPECIAL POWERS OF THE IMPERIAL INSURANCE INSTITUTE.

ARTICLE 79.

If the Imperial Insurance Institute becomes convinced by a new examination that the benefits were improperly disallowed, or withdrawn, or stopped on account of suspension or from other reasons, or were determined too low, then the Institute may direct the pension committee to make a new determination.

ARTICLE 80.

The Imperial Insurance Institute is not required to demand the repayment of retirement pensions and other pensions which under the law, it had to pay before a decision of legal force had been made.

XVII. RELATION TO OTHER CLAIMS.

ARTICLE 81.

This law does not affect the legal obligations of the communes and poor-law unions regarding the support of indigent persons and other obligations on the basis of law, ordinance, contract, or obligations arising out of testamentary provisions to provide relief for the persons insured according to this law and their survivors.

ARTICLE 82.

If a commune or a poor-law union in accordance with its legal obligations, supports an indigent person for a period during which he had or still has a claim under this law, then the commune or poor-law union may claim reimbursement, though only to the amount of this claim.

ARTICLE 83.

The reimbursement of funeral expenses which have been provided at the death of an insured person may be claimed from the lump-sum settlement (art. 60) unless the carrier of the imperial accident insurance or sickness insurance must provide the repayment; in other cases, however, only the retirement pension or other pensions may be attached.

ARTICLE 84.

In satisfaction of claims for reimbursement, arrears of retirement pension or other pension payments may be attached to their full amount, but other pension payments may be attached only to one-half of the payment.

ARTICLE 85.

The claim for reimbursement for relief must be filed with the competent pension committee of the place of residence of the beneficiary. This committee shall decide, though with reservation of the provisions of article 89.

ARTICLE 86.

A commune or a poor-law union may also claim reimbursement in a case where an indigent person dies who had a claim to retirement or other pension, but who has not filed his claim.

ARTICLE 87.

Those who are entitled to reimbursement may also call for the determination of the benefits according to this law, and may also institute legal measures. The expiration of time limits which have been exceeded without their fault shall not be used against them; this however does not apply to time limits in procedure in so far as those entitled to reimbursement are themselves carrying on the case.

ARTICLE 88.

The claim to reimbursement is not allowable if it is not brought forward within six months after the relief ceases.

ARTICLE 89.

Controversies in regard to claims for reimbursement based on articles 82 to 88 shall be decided by the procedure for administrative disputes, or if such does not exist, then by the supervisory authorities having jurisdiction over those entitled to reimbursement. The decision of the latter may, within one month after its delivery, be contested in the manner of an appeal according to articles 20 and 21 of the Industrial Code (*Gewerbeordnung*).

ARTICLE 90.

The provisions of this section in regard to communes and poor-law unions apply also to heads of establishments and to funds which, in place of the above-mentioned obligors, must furnish, according to law, relief for indigent persons.

ARTICLE 91.

PARAGRAPH 1. In so far as the persons insured according to this law and their survivors may by law claim from a third person compensation for an injury which has occurred to them because of occupational disability or because of the death of the one supporting them, the claim shall be transferred to the Imperial Insurance Institute up to the amount of those benefits which the Institute had to provide as the result of the injury.

PAR. 2. If a regular court has to pass on such claims, then it must accept the decision which is rendered in the procedure under this law and which prescribes whether and to what extent the Imperial Insurance Institute is obligated.

XVIII. SPECIAL PROVISIONS.

ARTICLE 92.

Benefits which are granted under this law and the relief refunded through the transfer of the claim, are not public poor-law relief.

ARTICLE 93.

PARAGRAPH 1. Claims of beneficiaries may with legal validity, be transferred, pledged and attached, only in the following cases:

1. On account of a loan which the beneficiary has received on the basis of his claims in advance of the granting of the benefits, from the employer or from the Imperial Insurance Institute;
2. On account of the claims specified in article 850, paragraph 4, of the Code of Civil Procedure (*Zivilprozessordnung*).
3. On account of the claims of the communes and poor-law unions which are entitled to reimbursement according to article 82, likewise employers and insurance carriers of the imperial workmen's insurance system, miners' associations and miners' funds as well as other substitute funds (art. 372) taking their place, if they are entitled to reimbursement; the transfer, pledge or attachment is permissible only to an amount equal to the legal claims for reimbursement;
4. On account of arrears of contributions, which have been due for not more than three months.

PAR. 2. In other cases also, with the approval of the pension committee and as an exceptional measure the beneficiary may transfer to other parties his claim either wholly or in part.

ARTICLE 94.

Claims to the retirement and other pensions may be computed only upon—
Demands for reimbursement for accident pensions and compensation received, in so far as the Imperial Insurance Institute possesses a claim thereto on the basis of articles 91 and 95;

Contributions due;
 Advances paid;
 Retirement and other pension amounts improperly paid;
 Costs of procedure (art. 311) which must be repaid;
 Money fines imposed by the official agencies of the Imperial Insurance Institute.

ARTICLE 95.

If benefits have been paid during a time when the recipient has a claim to an imperial accident pension and if according to article 73 the retirement pension or other pension should have been suspended, then the Imperial Insurance Institute may through reducing the benefits, re-collect the amounts paid in excess in appropriate installments.

SECTION THREE.—CARRIER OF THE INSURANCE.

I. DESIGNATION.

ARTICLE 96.

In so far as this law does not specify otherwise, the carrier of the insurance is the Imperial Insurance Institute for Salaried Employees. (*Reichsversicherungsanstalt für Angestellte*), to be established in Berlin.

II. LEGAL STATUS.

ARTICLE 97.

The Imperial Insurance Institute is a legal person. It is a public authority.

III. OFFICIAL BODIES.

ARTICLE 98.

The official bodies of the Imperial Insurance Institute are:

1. The directorate (*Direktorium*).
2. The administrative council (*Verwaltungsrat*).
3. The pension committees (*Rentenausschüsse*).
4. The district agents (*Vertrauensmänner*).

I. THE DIRECTORATE.

ARTICLE 99.

The directorate represents the Imperial Insurance Institute in and out of court. It has the status of a legal representative.

ARTICLE 100.

PARAGRAPH 1. The directorate shall consist of a president and the requisite number of official members as well as of two representatives each of the insured salaried persons and of their employers (nonofficial members).

PAR. 2. It shall make its decisions by a majority of the votes, unless this law prescribes otherwise. In voting on a motion, such a number of nonofficial members shall not vote as is necessary to give the official members a majority. Until the election of the nonofficial members, the directorate shall be qualified to vote on motions without them. In other respects the transaction of business shall be regulated by an order of business, which shall be issued by the imperial chancellor after a hearing of the administrative council.

PAR. 3. The directorate shall be under the supervision of the imperial chancellor.

ARTICLE 101.

The president and the official members of the directorate, as well as the higher statutory officials, shall be appointed by the Emperor for life, upon the nomination of the Federal Council. In so far as the nomination of the official members and the higher statutory officials takes place after the creation of the administrative council, the latter must be heard in advance.

ARTICLE 102.

PARAGRAPH 1. The officials designated in article 101 have the rights and duties of officials of the Empire.

PAR. 2. Their compensation, pensions, and other emoluments of service, as well as the pensions and relief for their survivors, shall be borne by the Imperial Insurance Institute. The salary and pension schedule for the directorate shall be determined by the budget of the Empire, while for the other officials designated in article 101 they shall be determined annually by the Federal Council upon the proposal of the imperial chancellor.

ARTICLE 103.

PARAGRAPH 1. The nonofficial members of the directorate are elected by the administrative council for six-year terms. For each member at least two substitute members are elected; they represent the nonofficial member when he is unable to serve, and if he leaves the directorate the substitutes enter the directorate for the remainder of that term, and do so in the order of their election.

PAR. 2. The representatives of the employers are elected by the employer members and the others by the salaried employee members from the membership of the administrative council.

PAR. 3. Articles 112 to 114 are here correspondingly applicable.

PAR. 4. A member of the administrative council who becomes a member of the directorate, thereby ceases to be a member of the administrative council.

ARTICLE 104.

PARAGRAPH 1. The other officials are appointed by the directorate. Article 102, paragraph 2, sentence 1, is here applicable. At least one-third of the positions must be filled by persons entitled to civil positions because of military service (*Militäranwärter*), in so far as qualified applicants are available.

PAR. 2. With the approval of the administrative council, the directorate issues the service regulations for these officials.

ARTICLE 105.

PARAGRAPH 1. The books of the Imperial Insurance Institute are to be closed each year; for the fiscal year just expired, a balance sheet must be drawn up on the basis of the books, and a report setting forth the condition as well as the development of the Institute must be prepared and transmitted to the imperial chancellor. The balance sheet and the report are to be laid before the Imperial Parliament.

PAR. 2. The fiscal year shall be the calendar year.

ARTICLE 106.

At every five-year period the balance sheet must have added to it the regular actuarial balance (art. 173). For each year a preliminary balance is to be drawn up. The Federal Council shall issue detailed regulations on this subject.

ARTICLE 107.

The accounts of the Imperial Insurance Institute in regard to its personal and business costs of administration shall be audited by the Auditing Office (*Rechnungshof*) of the German Empire.

2. THE ADMINISTRATIVE COUNCIL.

ARTICLE 108.

PARAGRAPH 1. The administrative council shall advise the directorate in the preparation of important decisions. The following matters are reserved for the decision of the administrative council:

1. The determination of the preliminary budget (*Voranschlag*), subject, however, to the provisions of article 102, paragraph 2, sentence 2;
2. The final acceptance of the balance sheet (art. 105) and of the actuarial balances (art. 106).

PAR. 2. Until the administrative council is created, the directorate shall make the decisions reserved to the former.

ARTICLE 109.

PARAGRAPH 1. The administrative council shall consist of the president of the directorate or his substitute, as presiding officer, and of not less than 12 representatives each of the insured salaried employees and of their employers. The imperial chancellor may increase the number of members according to need.

PAR. 2. The representatives of the employers shall be elected from the number of the employer members of the district agents (*Vertrauensmänner*), the others from the salaried employee members of the district agents.

ARTICLE 110.

PARAGRAPH 1. The administrative council shall make its decisions by majority vote. In other respects the conduct of business shall be regulated by an order of business which the imperial chancellor shall issue after a hearing of the administrative council.

PAR. 2. The president shall call the meetings of the administrative council. On the demand of the majority of the administrative council it must be convened.

ARTICLE 111.

PARAGRAPH 1. The election shall take place according to the principles of proportional representation.

PAR. 2. The imperial chancellor shall issue election regulations and shall conduct the election through his representatives.

PAR. 3. For each representative at least two substitutes must be elected; they shall take the place of the representative when he is unable to serve and if he leaves, they shall serve for the rest of the term in the order of their election.

PAR. 4. The imperial chancellor shall decide controversies relating to elections.

ARTICLE 112.

PARAGRAPH 1. Only adult Germans are eligible to the administrative council.

PAR. 2. The following are not eligible:

1. Whoever as the result of a criminal verdict has lost the right to hold a public office or who has been prosecuted because of a crime or misdemeanor, which would result in the loss of this capacity: *Provided*, That the final trial has been inaugurated.
2. Whoever in consequence of a court decree, is restricted in the disposition of his property.

ARTICLE 113.

Whoever regularly employs at least one insured salaried employee is eligible as representative of the employers.

ARTICLE 114.

Only insured persons who are not eligible as representatives of the employers are eligible as representatives of the insured persons.

ARTICLE 115.

PARAGRAPH 1. The term of office lasts for six years.

PAR. 2. The persons elected remain in office after the expiration of this term until their successors assume office.

PAR. 3. Whoever ceases to be a member may be reelected.

ARTICLE 116.

PARAGRAPH 1. An employer may decline the election only for important reasons, in particular the following:

1. If he has completed his sixtieth year;

2. If he has more than four minor legitimate children; those of his children adopted by another shall not be counted in this connection;
3. If he is prevented by sickness or infirmity from administering the office according to regulations;
4. If he has more than one guardianship or trusteeship (*Vormundschaft oder Pflegschaft*). The guardianship or trusteeship of children of the same parents shall count as only one; two coguardianships (*Gegenvormundschaften*) shall be considered as one guardianship and an honorary office in the imperial workman's insurance system shall be considered as one coguardianship.

PAR. 2. After a minimum tenure of office of two years a reelection for the next following term of office may be declined.

ARTICLE 117.

PARAGRAPH 1. The directorate shall decide whether a refusal to serve is permissible.

PAR. 2. Whoever declines election without a permissible reason, may be fined by the president of the directorate not more than 500 marks [\$119].

PAR. 3. The directorate may release a representative from his office if an important reason exists therefor.

PAR. 4. On appeal, the imperial chancellor shall decide finally.

ARTICLE 118.

The members of the administrative council and the nonofficial members of the directorate shall administer their office without compensation as an honorary office. For participating in sessions they shall receive a per diem allowance and reimbursement for travel expenses according to fixed rates determined by the imperial chancellor.

ARTICLE 119.

The representatives of the insured persons shall report to their employers every call to a session. If they do this in due time, then their absence from work shall not furnish the employer a sufficient reason for canceling the relation of employment without observing the required period of notice.

ARTICLE 120.

PARAGRAPH 1. If facts become known concerning a person who has been elected which make him ineligible, then the administrative council, by a decision, shall remove him from his office.

PAR. 2. Before the decision is made, an opportunity must be given him to make a statement.

PAR. 3. Against such a decision an appeal to the imperial chancellor is permissible.

ARTICLE 121.

Article 120 is correspondingly applicable to the nonofficial members of the directorate.

3. THE PENSION COMMITTEES.

Scope of their activities.

ARTICLE 122.

The pension committee shall take cognizance of the duties conferred upon it in this law. In particular these include the following:

1. To determine and certify retirement pensions, other pensions and settlements;
2. To withdraw and suspend retirement pensions and other pensions;
3. To take up applications for the inauguration of courses of medical treatment, to investigate the facts in these cases and to notify the Imperial Insurance Institute whenever it ascertains that through a course of treatment an insured person may be kept from occupational disability or that the recipient of a retirement pension or a widower's pension may again be made capable of carrying on his occupation.
4. To furnish information concerning matters of the salaried employees' insurance system.

ARTICLE 123.

PARAGRAPH 1. The pension committee is an official body of the Imperial Insurance Institute and has the properties of an official authority. However, in making its decisions according to article 122, Nos. 1 and 2, it is not bound by directions from the Imperial Insurance Institute.

PAR. 2. In so far as this law does not regulate the order of business and procedure of the pension committees, it shall be done by a decree of the Imperial Chancellor which shall be issued after a hearing of the Imperial Insurance Institute.

ARTICLE 124.

With the approval of the administrative council, the Imperial Insurance Institute may transfer to the pension committee the supervision of the recipients of retirement pensions; in the same manner and with the approval of the Federal Council, still other matters may be assigned to the pension committee through the Imperial Insurance Institute; excepted from this, however, is the supervision of the payment of the contributions.

ARTICLE 125.

In the transaction of its business, the pension committee may require the assistance of the district agents (arts. 143 to 155) in accordance with the provisions of this law.

Their establishment.

ARTICLE 126.

The pension committees shall be created according to need by the Imperial Insurance Institute with the approval of the Federal Council. The latter shall specify their seat and district and may change the same.

ARTICLE 127.

The Imperial Insurance Institute shall publish the seat and the district of the pension committees within one month of their creation or change.

ARTICLE 128.

Each pension committee shall consist of a permanent presiding officer, of at least one substitute and of associates (*Beisitzer*); the requisite official employees shall be furnished the pension committee.

The presiding officer.

ARTICLE 129.

PARAGRAPH 1. The imperial chancellor shall appoint the presiding officer and his substitute after a hearing of the highest administrative authorities for whose district the pension committee has been created. The chancellor shall also determine the duration of the office and the emoluments of the presiding officer and his substitute.

PAR. 2. Before entering upon their office, the presiding officer and his substitute shall be obligated by the imperial chancellor or his representative to the fulfillment of their duties.

PAR. 3. If an imperial or State official is appointed to serve in a subsidiary official quality, as presiding officer or his substitute, then such official shall remain under authority of the officials who are his superiors in regard to his principal office.

ARTICLE 130.

The presiding officer shall conduct the affairs of the pension committee.

The associates.

ARTICLE 131.

PARAGRAPH 1. In the cases specified in this law, insurance representatives are to be called in as associates of the pension committee; in other cases, associates may be called in, in so far as the law does not provide otherwise.

PAR. 2. They shall be taken one-half each from the insured salaried employees and from their employers.

PAR. 3. Only men may serve as associates in judicial decisions, especially in the cases mentioned in articles 12, 13, 122 (Nos. 1 and 2), 210, 211, 215 (paragraph 3), 216, and 347.

ARTICLE 132.

PARAGRAPH 1. The number of insurance representatives shall be at least 20; the number may be increased by the pension committee with the approval of the arbitration court, and also by the latter after a hearing of the pension committee.

PAR. 2. An insurance representative may not at the same time be an associate in an arbitration court or in the superior arbitration court.

ARTICLE 133.

PARAGRAPH 1. The associates from among the employers shall be elected by written ballot from the employer members among the district agents, the other associates from the salaried employee members among the district agents.

PAR. 2. District agents who reside in the district of the pension committee are eligible.

ARTICLE 134.

PARAGRAPH 1. Articles 111 to 114 are here correspondingly applicable.

PAR. 2. Controversies concerning elections shall be decided by the highest administrative authority in whose district the pension committee has its seat.

ARTICLE 135.

PARAGRAPH 1. At least one-half of each group of the insurance representatives (*Versicherungsvertreter*) must either reside or must be employed at the seat of the pension committee itself or not more than 10 kilometers [6.2 miles] distant therefrom.

PAR. 2. In the election due consideration must be given to the principal branches of industry and to the various sections of the district.

PAR. 3. In this matter the Federal Council may issue special rules or even rules conflicting with the above.

ARTICLE 136.

Articles 115, 116, and 119 are here correspondingly applicable.

ARTICLE 137.

PARAGRAPH 1. Whether a declination to serve is permissible shall be decided by the competent pension committee of the place of residence of the person elected.

PAR. 2. Whoever declines an election without a permissible reason may be fined by the presiding officer of the pension committee not more than 50 marks [\$11.90].

PAR. 3. The pension committee may remove a representative from his office if there is an important reason for such action.

PAR. 4. On appeal the arbitration court shall decide finally.

ARTICLE 138.

PARAGRAPH 1. If facts become known concerning an insurance representative which nullify his eligibility or which indicate a serious violation of his official obligations, then the presiding officer shall remove him from his office.

PAR. 2. On appeal, the arbitration court shall decide finally.

ARTICLE 139.

PARAGRAPH 1. Before rendering their first service, the presiding officer shall obligate the insurance representatives to the faithful performance of their duties.

PAR. 2. The presiding officer may impose a fine of not more than 30 marks [\$7.14] upon an insurance representative who neglects to perform his duties and in case of repetition, a fine of not more than 100 marks [\$23.80]. The fine must be remitted if it is afterwards proved that there was a satisfactory excuse.

PAR. 3. On appeal the arbitration court shall decide finally.

ARTICLE 140.

PARAGRAPH 1. The insurance representatives shall administer their offices without compensation and as an honorary office.

PAR. 2. The Imperial Insurance Institute shall reimburse them for their cash expenditures, and for their loss of time or loss of earnings it shall pay them a fixed sum, which shall be specified by the imperial chancellor.

Subordinate officers.

ARTICLE 141.

The subordinate officers of the pension committee are officials of the Imperial Insurance Institute; they shall be appointed by the Imperial Insurance Institute after a hearing of the presiding officers of the pension committee.

Expenditures.

ARTICLE 142.

All expenditures of the pension committee shall be defrayed by the Imperial Insurance Institute.

4. THE DISTRICT AGENTS.

ARTICLE 143.

The district agents (*Vertrauensmänner*) shall elect the associates for the pension committees, for the arbitration courts, for the superior arbitration court, and for the administrative council.

ARTICLE 144.

Special duties may be transferred by the pension committee to the district agents. The latter must also, even without being so requested, make reports on all facts which become known to them which in their opinion are of importance either for the pension committee or for the Imperial Insurance Institute.

ARTICLE 145.

PARAGRAPH 1. The district agents shall be elected, one-half each from the insured persons who are not employers and from the employers of the insured salaried employees.

PAR. 2. Their number shall be six for the district of a lower administrative authority; if more than 10,000 insured persons reside in the district of the lower administrative authority, then the highest administrative authority may for each additional 10,000 or part thereof increase the number of district agents by two.

PAR. 3. It shall remain within the discretion of the highest administrative authority to reduce the number of district agents to the number of two for smaller districts, or to consolidate the districts of several lower administrative authorities into one district, and to specify by which of the inferior administrative authorities, the business shall be transacted which is referred to these authorities according to article 149, paragraph 3, article 152, paragraph 2, article 153, and article 154, paragraph 1.

ARTICLE 146.

The district agents selected from the employers shall be elected by the employers of the insured salaried employees while the others shall be elected by the insured salaried employees.

ARTICLE 147.

PARAGRAPH 1. Adult Germans have the right to vote in so far as they belong to the group of insured salaried employees or of their employers and reside in the district of the lower administrative authority.

PAR. 2. The persons described in article 112, paragraph 2, are not entitled to vote.

ARTICLE 148.

In the election by the employers the imperial chancellor may fix the number of votes at a varying number according to the number of insured persons employed by them.

ARTICLE 149.

PARAGRAPH 1. The election shall be by written ballot according to the principles of proportional representation. For the insured salaried employees, the insurance card (art. 188) shall serve as identification, while for the employers a certificate made out by the communal authority shall serve. In the second and following elections after this law comes into force, only those insurance cards shall serve as identification which show at least one contribution to have been made within the last 12 months before the election.

PAR. 2. The imperial chancellor shall issue the election regulations and shall appoint the one to conduct the election.

PAR. 3. In controversies concerning the election, the lower administrative authorities shall decide.

ARTICLE 150.

For every district agent there shall be elected in the same manner two substitutes; they shall take his place when he is unable to serve and if he leaves, they shall serve for the remainder of the term in the order of their election.

ARTICLE 151.

Eligible as district agent are only those insured persons who are not employers, and employers of the insured salaried employees who reside in the district of the lower administrative authority, or in the case of employees are employed there or in the case of employers have the seat of their establishment there, and who are not ineligible according to article 112.

ARTICLE 152.

PARAGRAPH 1. Articles 115, 116 and 119 are here correspondingly applicable.

PAR. 2. In so long and so far as no election takes place or the elected persons decline to perform their duties, the lower administrative authorities shall appoint the district agents from the number of those eligible.

ARTICLE 153.

PARAGRAPH 1. The lower administrative authority shall decide whether it is permissible to decline to serve.

PAR. 2. Whoever declines an election or an appointment to office, without permissible ground, may be fined by the lower administrative authority up to 150 marks [\$35.70].

PAR. 3. The lower administrative authority may remove a district agent from his office if important reasons exist for such action.

PAR. 4. On appeal the higher administrative authority shall decide.

ARTICLE 154.

PARAGRAPH 1. If facts concerning a district agent become known which make him ineligible or indicate a serious violation of his official duties, then the lower administrative authority shall remove him from his office.

PAR. 2. On appeal the higher administrative authority shall decide.

ARTICLE 155.

PARAGRAPH 1. The district agents shall administer their office without compensation and as an honorary office.

PAR. 2. The Imperial Insurance Institute shall reimburse them for their cash expenditures. In special cases, reimbursement for their loss of time or their loss of earnings may be granted them. The Imperial Insurance Institute can issue regulations in regard to this matter.

SECTION FOUR.—THE ARBITRATION COURTS AND THE SUPERIOR ARBITRATION COURT.

I. GENERAL PROVISIONS.

ARTICLE 156.

PARAGRAPH 1. The arbitration courts and the superior arbitration court are the judicial authorities of higher instance.

PAR. 2. In so far as this law does not regulate the order of business and the procedure of the arbitration courts and of the superior arbitration court, it shall be done by imperial decree with the approval of the Federal Council.

II. THE ARBITRATION COURTS.

1. THEIR ESTABLISHMENT.

ARTICLE 157.

The arbitration courts according to the provisions of this law shall take cognizance of the business of the insurance of salaried employees as the higher authorities for rendering opinions and decisions.

ARTICLE 158.

The number of, the seat, and the district of the arbitration courts shall be specified by imperial decree with the approval of the Federal Council. Changes may be made in the same manner.

2. THEIR COMPOSITION.

ARTICLE 159.

The arbitration court shall consist of the president, his substitute and the associates.

ARTICLE 160.

PARAGRAPH 1. The associates shall be elected one-half each from the insured persons who are not employers, and from the employers of the insured salaried employees.

PAR. 2. The number of the associates shall be at least 12; this number may be increased by the highest administrative authority of the district in which the arbitration court has its seat.

PAR. 3. The president, his substitute and the associates may not at the same time be members of the superior arbitration court.

ARTICLE 161.

PARAGRAPH 1. Articles 127, 129, 130 and 133 to 140 are here correspondingly applicable; however, only men are eligible. The president shall be appointed, as far as the principal office is concerned or for the term of the principal office, from the number of public officials. The temporary appointment of an officer to the place of president may not exceed the period of one year.

PAR. 2. Fines (arts. 137 and 139) may be imposed up to 300 marks [\$71.40].

PAR. 3. In appeals and controversies concerning elections, the superior arbitration court shall decide.

III. THE SUPERIOR ARBITRATION COURT.

1. ITS ESTABLISHMENT.

ARTICLE 162.

PARAGRAPH 1. In accordance with the provisions of this law, the superior arbitration court shall take cognizance of the business of the insurance of salaried employees as the highest authority for opinions and decisions.

PAR. 2. Its seat shall be in Berlin.

ARTICLE 163.

Its decisions are final.

2. ITS COMPOSITION.

ARTICLE 164.

PARAGRAPH 1. In regard to the composition of the superior arbitration court, articles 159 to 161 are correspondingly applicable; however, the president shall be appointed for the term of his principal office or for life.

PAR. 2. The officials to be called into service according to article 288 shall be appointed by the imperial chancellor for the term of their principal office. Temporary appointments may not exceed the period of one year. For these officials, the requisite number of substitutes shall be appointed.

ARTICLE 165.

For participating in the work and sessions of the superior arbitration court, the members appointed shall receive an allowance which the imperial chancellor shall determine.

IV. SUPERVISION. COSTS.

ARTICLE 166.

PARAGRAPH 1. The highest administrative authority in whose district the seat is located shall conduct the supervision of the arbitration court.

PAR. 2. This authority shall supply the necessary subordinate officials and provide the business offices.

PAR. 3. The officers, clerical force, and the subordinate employees shall have the rights and duties of imperial or State officials if they are employed for the office itself, and not merely temporarily or as a means of training; the State Government shall specify the details in this respect.

PAR. 4. The president shall obligate them to the faithful performance of their duties in so far as they are not already obligated through an oath of office.

ARTICLE 167.

PARAGRAPH 1. All expenses of the arbitration court shall be advanced by the federal State in which its seat is located.

PAR. 2. The Federal Council may, upon application of the Imperial Insurance Institute, determine the basis for the apportionment of the expenses.

ARTICLE 168.

PARAGRAPH 1. The fines as well as the specially imposed costs of procedure (art. 311) shall be turned into the treasury of the Imperial Insurance Institute.

PAR. 2. The Imperial Insurance Institute shall each quarter reimburse the federal States upon demand for expenditures made.

ARTICLE 169.

PARAGRAPH 1. The imperial chancellor is charged with the supervision of the superior arbitration court.

PAR. 2. The Imperial Treasury shall advance the cost of the superior arbitration court.

PAR. 3. For other matters, articles 166 to 168 shall be correspondingly applicable.

SECTION FIVE.—PROVIDING FOR THE BENEFITS.

I. RAISING THE MEANS.

1. GENERAL PROVISIONS.

ARTICLE 170.

PARAGRAPH 1. The employers and the insured persons shall provide the means for the insurance.

PAR. 2. They shall pay for each calendar month in which the employment subject to the insurance has taken place, current contributions in equal parts. The same shall apply to periods of sickness in which the insured person has continued to draw his salary.

PAR. 3. Only those persons are exempt from contributions who are receiving retirement pensions according to the provisions of this law.

ARTICLE 171.

In the computation of the benefits the contributory months shall be the calendar months for which the contributions have been paid.

2. AMOUNT OF THE CONTRIBUTIONS.

ARTICLE 172.

PARAGRAPH 1. The monthly contribution is to be computed according to the procedure of average premium (*Prämiendurchschnittsverfahren*) for all insured persons of the same salary class, and to be of equal amount. For the present it shall amount to the following:

In salary class A-----	1. 60 marks [\$0. 38]
In salary class B-----	3. 20 marks [\$0. 76]
In salary class C-----	4. 80 marks [\$1. 14]
In salary class D-----	6. 80 marks [\$1. 62]
In salary class E-----	9. 60 marks [\$2. 28]
In salary class F-----	13. 20 marks [\$3. 14]
In salary class G-----	16. 60 marks [\$3. 95]
In salary class H-----	20. 00 marks [\$4. 76]
In salary class I-----	26. 60 marks [\$6. 33]

PAR. 2. The acknowledgment fee (*Anerkennungsgebühr*) for the maintenance of the claim shall amount to 3 marks [\$0.71] a year and may be paid either in partial amounts or in one sum.

ARTICLE 173.

The Imperial Insurance Institute shall draw up for five-year periods and at first for December 31, 1919, an actuarial balance sheet for testing the adequacy of the contributions.

ARTICLE 174.

The Federal Council shall specify the rate of interest for the actuarial computation. In other matters, articles 40 and 261 of the Commercial Code (*Handelsgesetzbuch*) shall receive corresponding application.

ARTICLE 175.

If the actuarial balance sheet shows a deficiency, then the contributions are to be correspondingly increased by law. If it shows a surplus, then in the same manner the benefits to be granted in the future may be increased.

3. PAYMENT OF THE CONTRIBUTIONS THROUGH THE EMPLOYERS.

ARTICLE 176.

An employer who has employed an insured person throughout a contributory month shall pay the contribution for himself and for the insured person.

ARTICLE 177.

If several employers employ an insured person during the month or if the employment has not taken place through the whole of the contributory month, then each employer must pay 8 per cent of the compensation paid for the employment as his contribution. The contribution so computed for the month shall be rounded off upward to even 10 pfennigs [2.4 cents]. If the contributions so paid for the month exceed the contribution of the highest salary class, then the amount in excess shall be credited to the insured person for later contributory months.

ARTICLE 178.

PARAGRAPH 1. At the time of the salary payment, a person subject to the insurance must allow the deduction from his salary of one-half of the amount of the contributions, and whoever has insured himself in a higher than the legal salary class without having agreed with the employer for the insurance in such higher salary class must also permit deduction from his salary of the amount in excess. Only in this manner may the employer reimburse himself for the insured person's share of the contribution.

PAR. 2. The deductions are to be distributed equally upon the times of the salary payment. The partial amounts are to be rounded off upward to sums of even 10 pfennigs [2.4 cents].

ARTICLE 179.

If the deductions have not been made at the time of the salary payment, then they may be made up only at the first following payment, unless the employer, without any fault on his part, later pays valid contributions (art. 205).

ARTICLE 180.

The highest administrative authority may specify in what manner the share of the contributions of persons subject to the insurance is to be made from their compensation when the latter consists only of payments in kind or is provided by third persons.

ARTICLE 181.

PARAGRAPH 1. In the cases mentioned in article 176, the employers must forward postpaid to the contribution office (*Beitragsstelle*) those contributions which are due at the close of the month, not later than the 15th of the next following month.

PAR. 2. At the time of the first payment of contributions the employers must forward to the contribution office a summary statement of the contributions due, and the office shall transmit the same to the Imperial Insurance Institute.

PAR. 3. Whenever a change occurs, the employers must report this fact to the contribution offices not later than the time of the next contribution payment.

PAR. 4. The contributions shall be paid into the Imperial Bank (*Reichsbank*) for the account of the Imperial Insurance Institute.

ARTICLE 182.

On the basis of these reports the Imperial Insurance Institute shall draw up insurance accounts for the computation of the claims of the insured salaried employees and their dependents.

ARTICLE 183.

PARAGRAPH 1. Contributions paid in shall be receipted for by means of stamps which the Imperial Insurance Institute shall supply to the contribution offices for each of the salary classes.

PAR. 2. The stamps must contain the designation of the salary class and of the money value.

ARTICLE 184.

With the approval of the imperial chancellor, the Imperial Insurance Institute may permit longer periods of payment (art. 170), a different procedure of payment (art. 181), and other means of receipt (art. 183).

ARTICLE 185.

PARAGRAPH 1. The employers must immediately affix the stamps so received to the insurance cards of the salaried employees and must cancel them. The stamps shall then be considered as a receipt for the payment of the contribution.

PAR. 2. The Federal Council shall issue regulations for the cancellation; it may also punish violations with fines of not more than 30 marks [\$7.14.]

ARTICLE 186.

The contribution offices shall be established by the Imperial Insurance Institute according to need. In so far as special contribution offices are not created, then upon application of the Imperial Insurance Institute their business shall be conducted by the offices designated for this purpose by the highest administrative authority or transacted by the post office. The compensation to be granted to the contribution offices shall be determined by the Federal Council after a hearing of the Imperial Insurance Institute.

ARTICLE 187.

PARAGRAPH 1. In the cases mentioned in article 177, the employers must affix special stamps on the insurance cards upon payment of the salary for the contributions then due and this must be done not later than at the close of the contributory month. The stamps shall serve as the basis for the computation of the legal benefits. Stamps are to be obtained from the contribution offices and offices for the sale of stamps established by the Imperial Insurance Institute. The stamps so affixed are to be canceled. Article 185, paragraph 2, is here to be applied in corresponding manner.

PAR. 2. The value of the stamps so affixed must be equal to the value of the contributions due rounded off upward to even 10 pfennigs [2.4 cents].

PAR. 3. With the approval of the imperial chancellor, the Imperial Insurance Institute may also issue other regulations for the collection of these contributions.

ARTICLE 188.

The insured person must provide himself with an insurance card. By means of an application card for admission, which shall give information concerning his age, family conditions and the receipts representing his salary, the insured person shall make application at the office of issue (art. 194) for the issuance of an insurance card. The local police authority may require him to take these steps under penalty of a fine of not more than 10 marks [\$2.38]. If the insured person has no insurance card or if he refuses to produce it, then the employer may procure one for him.

ARTICLE 189.

At the close of the month, the office of issue shall send to the Imperial Insurance Institute the application cards for admission which have come in during the course of the month.

ARTICLE 190.

By presenting a new application for an admission card, the insured person may always demand a new insurance card.

ARTICLE 191.

After hearing the Imperial Insurance Institute, the Federal Council shall specify the form of the report (art. 181), the insurance card (art. 185) and the application card for admission (art. 188). The cost of the preparation and delivery of these shall be borne by the Imperial Insurance Institute.

ARTICLE 192.

The insurance card shall contain the year and day of issue and the contents of the provisions of articles 195, 198, 199 and 347.

ARTICLE 193.

PARAGRAPH 1. It must have space for at least 48 stamps. In the cases mentioned in articles 177 and 187 the Federal Council may specify that it shall contain space for a larger number of stamps.

PAR. 2. For each insured person, the cards shall be numbered consecutively.

ARTICLE 194.

PARAGRAPH 1. The higher administrative authority shall specify the offices which shall issue the cards (offices of issue) [*Ausgabestellen*].

PAR. 2. The imperial chancellor shall specify the offices of issue in the protectorates.

ARTICLE 195.

PARAGRAPH 1. Within five years after the date of issue, the card shall be replaced by a new one. If this is not done, then the local police authority may require the insured person to take such action under penalty of a fine of not more than 10 marks [\$2.38].

PAR. 2. In the cases mentioned in articles 177 and 187, the insured person is required to forward the insurance card to the Imperial Insurance Institute not later than two months after the expiration of the calendar year. The insured person may for this purpose request the intervention of the offices established by the Imperial Insurance Institute for the receipt of contributions and the issue of stamps, which offices on request shall accept the cards and also give a receipt therefor and shall forward the cards to the Imperial Insurance Institute.

PAR. 3. Whoever does not send in the insurance card punctually, may be punished by the Imperial Insurance Institute with a fine of not more than 20 marks [\$4.76].

PAR. 4. On appeal the imperial chancellor shall decide finally.

PAR. 5. The fines shall be collected in the same manner as communal taxes.

ARTICLE 196.

For making out the cards, the offices of issue shall be granted a compensation, the amount of which shall be determined by the Federal Council after a hearing of the Imperial Insurance Institute.

ARTICLE 197.

PARAGRAPH 1. Insurance cards which are lost or which become unusable or which are destroyed shall be replaced by new ones.

PAR. 2. Contributions which can be proved shall be transferred and certified to; the Imperial Insurance Institute shall be consulted in advance if a card which has become unusable is not produced, and in every case it shall be notified afterwards by a new application card for admission.

ARTICLE 198.

The cards may contain only the statements prescribed by law and shall bear no special marks of any kind; above all they may not contain anything concerning the conduct or services of the owner.

ARTICLE 199.

PARAGRAPH 1. No one may retain the insurance card contrary to the will of its owner. This shall not apply to the competent officers, if they retain cards for the purpose of making out new ones, of making corrections or of supervising contributions.

PAR. 2. Whoever retains a card contrary to this provision shall be responsible to the one entitled thereto for any damages arising therefrom. The local police authority shall take possession of the card and turn it over to the one entitled thereto.

ARTICLE 200.

The Federal Council shall specify how the contributions for persons subject to the insurance under the provisions of articles 3 and 4 shall be collected.

4. PAYMENT OF THE CONTRIBUTIONS THROUGH THE INSURED PERSONS.

ARTICLE 201.

In the case of the voluntary continuation of the insurance or of the maintenance of the rights already attained (art. 15), the contributions or acknowledgment fee are to be sent in by mail postpaid to the Imperial Insurance Institute not later than at the expiration of the calendar year for which they were to be applicable. Until the arrival of the receipt therefor from the Imperial Insurance Institute, the post-office receipt shall serve as a receipt. In special cases, the Imperial Insurance Institute may also permit other insured persons to make payment of their contributions by mail.

ARTICLE 202.

With the approval of the Federal Council, the Imperial Insurance Institute may regulate the payment of contributions in other ways.

ARTICLE 203.

The insured person (art. 201) is required at any time to give upon demand to the Imperial Insurance Institute information in regard to his family status and the age of the members of his family. The local police authority may require him to do this under penalty of a fine of not more than 10 marks [\$2.38].

ARTICLE 204.

Whoever insures himself voluntarily during an employment for which he is paid but not paid in cash, or which is only a temporary employment (articles 7 and 8), shall have a claim to the share of the contribution of the employer. The latter may decline to pay more than he would be required to pay according to this law for an employment subject to the insurance.

5. INVALID CONTRIBUTIONS.

ARTICLE 205.

Obligatory contributions are to be refused if they are paid after the expiration of two years; in case, however, the payment of the contribution has been omitted through no fault of the party affected, then after the expiration of four years after the date when due.

ARTICLE 206.

After the beginning of the occupational disability, voluntary contributions may not be paid.

ARTICLE 207.

PARAGRAPH 1. Provided that the contributions are thereafter paid within an appropriate period, the following shall be considered as equivalent to the payment of the contribution in the meaning of articles 205 and 206:

1. A notice of payment due sent to the employer by the competent office;
2. A declaration of the employer or of the insured person of his readiness to make subsequent payment as regards such office.

PAR. 2. Periods of time in which a controversy concerning contributions (arts. 210 and 211) or a procedure in regard to a claim for retirement pensions or other business is pending, shall not be included in the time-limits mentioned in articles 205 and 206.

PAR. 3. These facts (pars. 1 and 2) shall also interrupt the lapsing of arrears of contributions (art. 223).

ARTICLE 208.

If within one year after the payment of the contributions, the Imperial Insurance Institute has not objected to the insurance obligation or the right to voluntary insurance, then the claim to a pension shall not be disallowed for the reason that the contributions have been paid without legal basis.

6. CONTRIBUTIONS PAID BY MISTAKE.

ARTICLE 209.

PARAGRAPH 1. Contributions which have been paid under a mistaken assumption that the insurance obligation exists and the return of which is not demanded, shall be considered as paid for the voluntary continuation of the insurance if the right thereto exists at the time of payment.

PAR. 2. The insured person may demand the return of the contributions within 10 years after their payment if a retirement pension or other pension has not already been granted to him with legal effect and if the payment of the contribution has not been made for a fraudulent purpose.

PAR. 3. The employer may no longer demand the return of the contributions if the insured person has returned to him the value of his share or if two years have elapsed since the time of payment.

7. CONTROVERSIES CONCERNING CONTRIBUTIONS.

ARTICLE 210.

PARAGRAPH 1. In case of a controversy concerning the payment of contributions, unless it has arisen on the determination of the benefits, the pension committee which is competent for the place of employment shall decide, and on appeal the arbitration court shall decide finally.

PAR. 2. If the matter concerns the application of legal provisions of fundamental importance, and these provisions have not yet been passed upon, then the arbitration court shall turn the matter over to the superior arbitration court, at the same time setting forth its own views: *Provided*, That the one making the appeal has applied therefor within the time limit allowed. Other parties affected may also make this application within one week after they have been granted an opportunity to make a statement. In these cases the superior arbitration court shall decide instead of the arbitration court.

PAR. 3. If in the procedure according to this law the insurance obligation of the person is decided negatively because such person does not belong to those designated in article 1, paragraph 1, then in the opinion it must be decided whether such a person belongs to those designated in article 1226, paragraph 1, Nos. 1 or 6, of the Imperial Workmen's Insurance Code. If it is decided that he does belong to this group of persons, then this decision is binding for the procedure according to the Imperial Workmen's Insurance Code. An opportunity for making a statement must be given to the carrier of the invalidity insurance; the latter is authorized to inaugurate legal procedure, and as an interested party to make application according to paragraph 2, above.

PAR. 4. If in the procedure according to the Imperial Workmen's Insurance Code, the insurance obligation of a person is decided negatively because he does not belong to the persons designated in article 1226, paragraph 1, Nos. 1 or 6, then in the opinion it must be decided whether he belongs to the persons designated in article 1, paragraph 1, of this law. If it is decided that he does belong to this group of persons, then this decision is binding for the procedure according to this law. Paragraph 3, sentence 3, above, is applicable as concerns the carrier of the insurance of salaried employees.

ARTICLE 211.

All other controversies between employers and employees in regard to the computation and accounting, return, and reimbursement of the contributions (arts. 176 to 180, 185, 187 and 204) shall be decided finally by the pension committee competent for the place of employment.

ARTICLE 212.

If the controversy is decided finally, then the pension committee shall take steps to see that the contributions collected in insufficient amount shall later

be covered according to articles 181 to 183. Contributions collected in excess, the return of which may still be demanded (article 209), the committee shall on application collect from the Imperial Insurance Institute and pay back to the party affected. The stamps shall be destroyed.

ARTICLE 213.

If the insurance obligation or right to insurance is finally decided negatively, then the parties affected shall on application have paid back to them the contributions which have not yet become forfeited. In this connection, article 209 is not affected.

S. SUPERVISION.

ARTICLE 214.

The Imperial Insurance Institute shall supervise the punctual and complete payment of contributions. It may transfer this business to the pension committee (art. 124).

ARTICLE 215.

PARAGRAPH 1. The employers must give information concerning the number of their employees, their earnings and the duration of the employment to the pension committee competent for the place of employment, and to the Imperial Insurance Institute itself, as well as to the authorized agents of both. The insured persons also must give information concerning the place and duration of their employment as well as their earnings.

PAR. 2. On demand both groups are required to give to the authorities designated above and their authorized agents, the insurance cards for examination and correction upon the giving of a receipt.

PAR. 3. The pension committee may require the employers and the insured persons to comply with their duties (pars. 1 and 2) under penalty of a fine of not more than 150 marks [\$35.70]. On appeal the arbitration court shall decide finally.

ARTICLE 216.

With the approval of the imperial chancellor, the Imperial Insurance Institute may issue regulations concerning supervision. The imperial chancellor may order the issuance of such regulations, and if such order is without effect, may issue them himself. The pension committee may require the employer and the insured persons to comply with such regulations under penalty of a fine of not more than 150 marks [\$35.70]. On appeal the arbitration court shall decide finally.

ARTICLE 217.

PARAGRAPH 1. If on account of the supervision cash expenditures are made, then they may be imposed upon the employer if they have been caused by his neglect of duty. On appeal, the arbitration court shall decide finally.

PAR. 2. The expenses shall be collected in the same manner as communal taxes.

ARTICLE 218.

With the consent of the parties affected or at the conclusion of the procedure in controversies, the insurance card shall be corrected by the supervisory authorities or their duly authorized agents according to articles 181 to 183.

II. ASSETS.

ARTICLE 219.

PARAGRAPH 1. The means of the Imperial Insurance Institute may be employed only for the purposes prescribed or permitted by law.

PAR. 2. The income and expenditures are to be accounted for separately and the assets in hand shall be kept separately.

PAR. 3. The Imperial Insurance Institute may undertake only such business as is authorized to it by law.

ARTICLE 220.

PARAGRAPH 1. The assets of the Imperial Insurance Institute must be invested at interest in the same manner as trust funds (arts. 1807 and 1808 of the Civil Code) in so far as this law does not permit otherwise.

PAR. 2. In addition, the assets may be invested in the securities which are permissible according to State law for the investment of trust funds, as well as in registered mortgage debentures issued by German mortgage banks, on which the Imperial Bank (*Reichsbank*) makes loans under the rating of class 1.

ARTICLE 221.

PARAGRAPH 1. In the meaning of article 1807, paragraph 1, No. 1, of the Civil Code, the security of a mortgage, a trust on real estate or a ground rent (*Hypothek, Rentenschuld, Grundschuld*) may be assumed, if the loan does not exceed three-fifths of the value of the parcel of ground. In so far as the highest administrative authority of a federal State in accordance with article 11, paragraph 2, of the law on mortgage banks (*Hypothekenbankgesetz*) permits loans on agricultural real estate up to two-thirds of the value, the security of such loans may also be assumed.

PAR. 2. The loan may as a rule be made only on a first mortgage.

ARTICLE 222

Loans are not to be permitted on building lots and on such new buildings as have not yet been completed and do not yet produce an income, as well as on parcels of ground which do not provide a permanent income, more particularly such as pits, quarries and mines.

ARTICLE 223.

The value of the real estate assumed at the time the loan is made may not exceed the ordinary value as determined through a careful investigation. In the determination of such value, only the permanent qualities of the real estate and such return therefrom are to be considered which the real estate can permanently provide any owner managing it in the usual and ordinary manner.

ARTICLE 224.

PARAGRAPH 1. The imperial chancellor may permit assets to be invested in loans to communes and unions of communes, to school communes and church communes in so far as such action is not already permissible according to article 220, paragraph 1. The creditor must have the right to call the loan after giving notice or it must contain provision for a regular amortization.

PAR. 2. He may also restrict investments in specific categories of interest-bearing securities to specific amounts.

PAR. 3. With the right to revoke such permission, the chancellor may also permit temporarily available funds to be invested in other ways.

ARTICLE 225.

PARAGRAPH 1. With the approval of the imperial chancellor, the Imperial Insurance Institute may invest not more than one-fourth of its assets in a manner differing from that specified in articles 220 and 224.

PAR. 2. Such investment may be made only in securities; it may be made in other ways only for purposes of administration, to avoid loss in assets or in undertakings which are exclusively or principally for the benefit of the insured persons.

ARTICLE 226.

Not less than one-fourth of the assets must be invested in the bonds of the Empire or of the federal States.

ARTICLE 227.

PARAGRAPH 1. Arrears shall be collected in the same manner as communal taxes. The postponing effect of protests against the obligation to make payment shall be regulated according to the provisions of State laws.

PAR. 2. In so far as it is not already specified according to State law, the procedure of compulsory collection must be preceded by a demand in due legal form. A fee for this demand may be collected. This shall be collected in the same manner as arrears. The determination of its amount must have the approval of the imperial chancellor.

PAR. 3. Arrears shall be considered as preferred debts as specified in article 61, No. 1, of the Code on Bankruptcy (*Konkursordnung*).

ARTICLE 228.

PARAGRAPH 1. The claim to arrears lapses in two years after the expiration of the calendar year when due: *Provided*, That the payments are not purposely defaulted.

PAR. 2. The claim for repayment of contributions lapses in six months after the expiration of the calendar year in which they have been paid, subject, however, to the provisions of article 209 paragraph 2, articles 212 and 213.

PAR. 3. The claim to benefits of the Imperial Insurance Institute expires in four years after the date when due, in so far as this law does not prescribe otherwise.

SECTION SIX.—PROCEDURE.

I. PROCEDURE BEFORE THE PENSION COMMITTEE.

1. SUBMISSION OF CLAIMS.

ARTICLE 229.

PARAGRAPH 1. Applications for benefits are to be made to the pension committee; the documents in proof are to be attached.

PAR. 2. With legal effect, the application may also be made to one of the other official bodies of the Imperial Insurance Institute or to one of the other authorities of the Empire. The latter must without delay forward the documents to the competent pension committee.

PAR. 3. Minor persons who have reached their sixteenth year may independently file applications for themselves and prosecute such applications independently.

ARTICLE 230.

PARAGRAPH 1. That pension committee shall be competent in whose district the insured person resides or is employed at the time of the application.

PAR. 2. If several pension committees are competent under this provision, then that committee shall take precedence to which the application was first made.

ARTICLE 231.

PARAGRAPH 1. If the insured person had no residence or place of employment in Germany or if he has died or disappeared, then his last place of residence or employment in Germany shall be decisive.

PAR. 2. If such place does not exist, then the seat of the undertaking shall be decisive in which the insured person is employed or was last employed.

ARTICLE 232.

PARAGRAPH 1. If the pension committee considers that another committee is competent, then it shall transfer the matter to such committee.

PAR. 2. If the latter committee likewise does not consider itself competent, then the presiding officer of the arbitration court to which both authorities are subordinate shall decide, or if such does not exist then the superior arbitration court shall decide.

PAR. 3. The decision is final and is binding upon the bodies of lower instance.

2. DISQUALIFICATION AND CHALLENGING OF MEMBERS OF THE PENSION COMMITTEE.

ARTICLE 233.

The following may not participate in the oral proceedings:

1. Whoever is himself one of the parties in the matter;
2. Whoever is obligated to make compensation to one of the parties.

3. Whoever is married or has been married to one of the parties;
4. Whoever is related to a party either in the direct line or by marriage, or is related in a collateral line in the second or third degree, or is related by marriage in the second degree.
5. Whoever has been called into the case as the authorized representative or as counsel of a party, or is or has been entitled to appear as the legal representative of a party.
6. Whoever has been examined in the case as a witness or as an expert.

ARTICLE 234.

PARAGRAPH. 1. Members may be challenged both for reasons which justify their disqualification and because of being prejudiced. A challenge on account of prejudice is justified if facts are submitted which may warrant distrust of the member's impartiality.

PAR. 2. No member may be challenged as prejudiced if the party knew the reason for challenging before, but brings it forward only after the party has entered into a proceeding, or motions have been made.

ARTICLE 235.

PARAGRAPH. 1. The grounds for challenging must be proved.

PAR. 2. If the party challenges a member as prejudiced after the proceedings have been started or after motions have been made, then he must show that the grounds for the challenge have arisen at a later time or have only later become known to him.

ARTICLE 236.

PARAGRAPH 1. If the presiding officer or the substitute of the presiding officer is challenged, then the arbitration court shall decide finally.

PAR. 2. If an insurance representative is challenged, then the presiding officer shall decide. If he declares the motion to be well founded, then the decision is final. If he disallows the motion, then the decision may only be contested with the decision in the principal case. The decision of the arbitration court as to the challenge is final.

PAR. 3. A decision is not required if the person challenged admits the claim to be well founded.

ARTICLE 237.

Article 236 shall also be applicable if a member of the pension committee himself reports a fact which would justify his exclusion from the committee, or if doubts arise on the point as to whether such member is excluded for legal grounds.

3. DETERMINATION OF THE BENEFITS.

ARTICLE 238.

Applications for the inauguration of a course of medical treatment (art. 36) shall be turned over by the presiding officer of the pension committee to the Imperial Insurance Institute after setting forth the facts in the case.

ARTICLE 239.

The pension committee shall determine the other benefits.

ARTICLE 240.

PARAGRAPH 1. The presiding officer of the pension committee shall decide, by himself without oral proceedings, in case the matter relates to retirement pensions because of the completion of the legal age, or concerns annuities, or concerns survivors' pensions, or concerns a settlement or a return of contributions.

PAR. 2. The decree (art. 123, par. 2) may specify additional cases in which the presiding officer shall decide by himself without oral proceedings.

ARTICLE 241.

PARAGRAPH 1. In the preparation of the decision, the presiding officer may make inspections on his own discretion, may take the testimony of witnesses and experts, especially from coemployees of the applicant, and may also take such testimony under oath, as well as procure opinions from physicians and official information of any kind whatever.

PAR. 2. If procuring the proof by the presiding officer of the pension committee meets with serious difficulties, more particularly because of the great distance of the place of abode of the person from whom the testimony is to be secured from the seat of the pension committee, then the presiding officer of another pension committee, or if procuring the proof before the presiding officer of another pension committee be similarly subject to great difficulties, then another official body or in the case of taking testimony under oath the local court (*Amtsgericht*) may be requested to do this work. The same rule shall be applicable in case there is risk from delay.

PAR. 3. In making the inspection, and in taking the testimony of witnesses and experts, the Imperial Insurance Institute and the applicant must be given opportunity to participate.

ARTICLE 242.

PARAGRAPH 1. If the undertaker of the establishment declines to allow the presiding officer of the pension committee to make the inspection, then the local police authority at the request of the presiding officer may compel him to submit to it.

PAR. 2. The highest administrative authority shall specify in how far paragraph 1 shall be applicable to establishments which are placed under the supervision of the mining authorities

PAR. 3. If the inspection is to be made in a service room of an authority or in a vessel of the Imperial Navy, then the consent of the competent service authorities or of the commanding officer must be secured.

ARTICLE 243.

PARAGRAPH 1. The provisions of the Code of Civil Procedure (*Zivilprozessordnung*) in regard to the obligation to appear as a witness or as an expert, to submit to examination and the taking of an oath, are here correspondingly applicable.

PAR. 2. Witnesses and experts shall be sworn only if it is necessary in order to procure truthful testimony. Testimony may not be declined to be given because this law affords a basis for the obligation of silence. The presiding officer of the pension committee shall decide whether testimony or the taking of an oath may be declined. Against such decision an appeal may be taken to the arbitration court within one week; the court shall decide finally.

ARTICLE 244.

PARAGRAPH 1. Only fines of not more than 300 marks [\$71.40] may be imposed upon witnesses or experts who—

Do not appear, or,

Decline to give testimony or to take oath without a statement of the reason, or after the reason given has been legally declared to be untenable.

PAR. 2. The presiding officer of the pension committee shall impose the fines. On appeal the arbitration court shall decide finally.

ARTICLE 245.

PARAGRAPH 1. Military persons who belong to the active service in the Army or Navy, or to one of the colonial forces, shall on request be summoned as witnesses or experts by the military authorities.

PAR. 2. If they decline to give testimony or to take oath, then the military court, on request, shall impose fines.

ARTICLE 246.

PARAGRAPH 1. Witnesses and experts shall receive fees as in the taking of testimony before regular courts in civil controversies.

PAR. 2. The arbitration court shall decide finally on appeals against the determination of the fees.

ARTICLE 247.

The provisions of article 243, paragraph 2, and article 244 shall be applicable also for the procedure before the local court (*Amtsgericht*) which has been requested to act. In other respects, the provisions of the Code of Civil Procedure shall be correspondingly applied to this procedure.

ARTICLE 248.

PARAGRAPH 1. The contents, and on request a copy, of the proceedings in the taking of proof shall be communicated to the applicant and the entire proceedings shall be communicated to the Imperial Insurance Institute.

PAR. 2. The presiding officer shall decide to what extent the medical certificates and opinions are to be communicated to the applicant.

ARTICLE 249.

PARAGRAPH 1. If the claim depends upon a status of family rights or hereditary rights, then the presiding officer may direct the parties affected to have the status determined by the ordinary courts.

PAR. 2. He shall also specify up to what time the suit must be filed; the time limit may upon application be extended.

ARTICLE 250.

PARAGRAPH 1. The decision is to be accompanied by a statement of the grounds therefor and is to be signed by the presiding officer. A copy of the decision is to be given to the Imperial Insurance Institute and to the applicant. The decision must also contain a statement that it becomes of legal effect if the beneficiary does not file an appeal with the arbitration court within one month after its delivery. For seamen who are in localities outside of Europe, article 328, paragraph 2, is applicable.

PAR. 2. If a retirement or other pension is granted, then the decision must contain a statement as to the amount, date of beginning, and manner of computation of the benefits.

ARTICLE 251.

With the exception of the case mentioned in article 240, the decision shall be made after oral procedure; to this procedure there must be called in as associates, one insurance representative each from the employers and from the insured salaried employees.

ARTICLE 252.

The presiding officer shall prepare the case, and may collect evidence before the oral proceedings begin. The provisions of articles 241 to 249 are here correspondingly applicable.

ARTICLE 253.

PARAGRAPH 1. The presiding officer shall decide on the time of the proceedings and shall give notice of the same to the Imperial Insurance Institute and to the applicant.

PAR. 2. The presiding officer may summon witnesses and experts for the oral proceedings and may issue other directions, and in particular require the personal appearance of the applicant.

ARTICLE 254.

The presiding officer shall specify the order in which insurance representatives are to be called into the proceedings. The imperial chancellor may issue general directions in regard to this matter.

ARTICLE 255.

PARAGRAPH 1. The oral proceedings shall be public.

PAR. 2. Publicity of proceedings may be omitted for reasons of public welfare or public morality; the decision must be announced in public.

ARTICLE 256.

PARAGRAPH 1. The Imperial Insurance Institute is entitled to send representatives to the oral procedure.

PAR. 2. The applicant may himself appear or have himself represented.

PAR. 3. The representative of the Imperial Insurance Institute, as well as the applicant or his representative are to be heard.

ARTICLE 257.

PARAGRAPH 1. The pension committee may decline to allow the appearance of agents and counsel who make a business of appearing in proceedings before authorities for compensation.

PAR. 2. This shall not apply to attorneys and similar persons to whom the appearance before a court is permitted (art. 157 of the Code of Civil Procedure).

ARTICLE 258.

PARAGRAPH 1. The provisions of the law on the constitution of the courts (*Gerichtsverfassungsgesetz*) in regard to the maintenance of order in the sessions are here correspondingly applicable (arts. 176 to 182 and 184).

PAR. 2. The arbitration court shall decide finally on appeals against penalties imposed for acts of disorder.

ARTICLE 259.

PARAGRAPH 1. If the pension committee holds that the matter is not made sufficiently clear, then it may order the requisite proof. The committee may turn over to the presiding officer the execution of this decision.

PAR. 2. Articles 243 to 248 are applicable in regard to the production of evidence, while article 249 shall be correspondingly applicable as to a subsequent order to have a legal status determined by the ordinary law procedure

ARTICLE 260.

PARAGRAPH 1. The pension committee shall make its decision by majority vote.

PAR. 2. If in voting on the amount of the benefits, no majority is secured, then the votes cast for the larger amount shall be added to those given for the next smaller amount until a majority results.

ARTICLE 261.

PARAGRAPH 1. If on the order of the presiding officer, the applicant has appeared in the oral procedure, then on demand his cash expenses and loss of time shall be reimbursed to him; these may also be reimbursed if he has appeared without an order and the pension committee considers his appearance as having been necessary.

PAR. 2. The arbitration court shall decide finally on appeals against the decision which fixes this reimbursement or declines to allow it.

PAR. 3. If the applicant appears without an order, then this reimbursement shall be considered as disallowed if the pension committee does not expressly determine that his appearance was necessary. In such cases no appeal shall be allowed.

ARTICLE 262.

PARAGRAPH 1. The decision shall be announced publicly even if the public were excluded from the proceedings.

PAR. 2. In other respects article 250 shall be applicable as regards the decision.

ARTICLE 263.

A record shall be kept of the oral proceedings.

ARTICLE 264.

PARAGRAPH 1. Errors in writing and in computation and similar obvious inaccuracies which occur in the decision may at any time be corrected upon application or upon the initiative of the officials.

PAR. 2. The presiding officer shall decide without oral procedure whether a correction is to be made.

PAR. 3. If he makes a correction, then the correction shall be made upon the original of the decision and upon the copies thereof. The party affected may make an appeal to the arbitration court in regard to the correction; the arbitration court shall decide finally.

PAR. 4. A decision which declines to allow a correction may not be appealed.

ARTICLE 265.

PARAGRAPH 1. If the decision omits one of the principal or subordinate claims raised by a party either wholly or in part, then on application the decision shall be later supplemented.

PAR. 2. In regard to such application, even if the case mentioned in article 240 is not present, the decision may be made without oral proceedings if the matter relates to a subordinate claim.

PAR. 3. A supplementary decision shall be noted upon the original of the decision and upon the copies thereof.

ARTICLE 266.

PARAGRAPH 1. If the application for retirement pension is finally disallowed because an occupational disability was not proved, then the applicant may repeat his claim not earlier than one year after the date when the opinion was delivered; before that time, however, he may do it only if it is credibly certified that in the meantime circumstances have occurred which afford this proof.

PAR. 2. If this certificate is not attached, then the presiding officer of the pension committee shall return the application as being repeated at too early a date. This decision may not be contested.

ARTICLE 267.

The application for a determination of retirement pension or survivors' pension may not be disallowed because occupational disability or death was the result of an accident entitling to a pension under the imperial workmen's insurance system. The retirement pension and other pensions are to be paid in full until the accident pension is granted.

ARTICLE 268.

PARAGRAPH 1. The Imperial Insurance Institute may take steps to have the accident pension determined and may also inaugurate the legal steps thereto. The expiration of time limits which have lapsed without any fault of the Institute shall not be effective against it; this shall not apply to time limits in the procedure in so far as the Institute itself has prosecuted the case.

PAR. 2. The Imperial Insurance Institute may grant to the presiding officer of the pension committee the authority to conduct such cases.

ARTICLE 269.

PARAGRAPH 1. The provisions in regard to the determination of benefits shall be correspondingly applicable if the retirement pension or widowers' pension is withdrawn (arts. 68 and 69), or if the house money or the pension has been stopped on account of suspension or for other reasons (arts. 38 to 40, 72 and 73 to 78), or if they are to be reduced (art. 95).

PAR. 2. Articles 230 to 232 are here correspondingly applicable in regard to the competency of the pension committee.

PAR. 3. An oral procedure shall not take place if the matter relates to the suspension of the pensions (arts. 73 to 78), their stopping (arts. 38 to 40, and 72) and their reduction (art. 95).

II. PROCEDURE BEFORE THE ARBITRATION COURT.

ARTICLE 270.

Against the decision of the pension committee or of its presiding officer, the legal measure of an appeal to the arbitration court is permissible.

ARTICLE 271.

PARAGRAPH 1. If the appeal is delayed or is not admissible, then the presiding officer may disallow it without oral proceeding.

PAR. 2. Within one week after the delivery of the decision the applicant may appeal against the decision to the arbitration court. The decision must refer to this fact.

ARTICLE 272.

The appeal shall be decided by the arbitration court for the district of that pension committee by which the contested decision was delivered. The same shall apply to the decision of the presiding officer of the pension committee.

ARTICLE 273.

The decision shall be delivered on the basis of oral proceedings; in addition to the presiding officer or his substitute, there must be called in to the proceedings two each of the insurance representatives of the employers and of the insured salaried employees.

ARTICLE 274.

The provisions in regard to the procedure before the pension committee shall be correspondingly applicable in regard to the procedure of the appeal in so far as the following articles do not prescribe otherwise.

ARTICLE 275.

PARAGRAPH 1. The associates shall be called into the proceedings in a sequence determined in advance. The imperial chancellor shall specify the details in this connection.

PAR. 2. If the presiding officer desires to vary the order of assignment for special reasons, then he must note these reasons in the record.

ARTICLE 276.

PARAGRAPH 1. The arbitration court is not to be considered as disqualified to render a decision because in addition to the presiding officer only one each of the associates from the employers and insured persons has appeared.

PAR. 2. If three associates are present, then from the group containing two persons, the younger person shall withdraw.

ARTICLE 277.

The appeal acts as a stay in the following cases:

1. If it is filed by the Insurance Institute, in so far as it relates to a sum which must be paid subsequently for the time before the issuance of the contested decision;
2. If it relates to a claim for reimbursement or return of payment.

ARTICLE 278.

PARAGRAPH 1. If the arbitration court reverses the contested decision because the procedure was lacking in important respects, then the court may return the case to the lower body.

PAR. 2. In such case the court may order the granting of a provisional benefit.

ARTICLE 279.

If it is determined that the judgment can not be made the subject of an appeal (art. 282), then the presiding officer must make note of the fact that against the decision no other legal steps are permissible, referring to the legal provisions on this subject at the close of the decision.

ARTICLE 280.

If in a case in which a review is not permissible (art. 282), the arbitration court wishes to depart from an officially published fundamental decision of the

superior arbitration court, then it must hand over the case to the superior arbitration court together with a statement of its construction of the law. The latter shall then decide in place of the arbitration court. The Imperial Insurance Institute and the applicant are to be informed that the case has been so referred.

III. PROCEDURE BEFORE THE SUPERIOR ARBITRATION COURT.

ARTICLE 281.

From the judgments of the arbitration court, a review may be allowed.

ARTICLE 282.

A review is not allowable if the matter relates to the following:

1. The amount, date of beginning and ending of the retirement pension or annuity;
2. Survivors' pensions;
3. Settlement or repayment (arts. 47, 60, and 62);
4. Cost of procedure.

ARTICLE 283.

If a review of a party which is otherwise permissible also relates to claims for which no review is allowed, then the decision may be made on the latter only if the permissible review asked for was either wholly or partly allowed.

ARTICLE 284.

The superior arbitration court shall decide in regard to the review.

ARTICLE 285.

Application for a review is to be made in writing; it must give the reasons for the review. A judgment which is contested may also be changed for reasons other than those given in the application for a review.

ARTICLE 286.

An application for a review may only be based on the following:

1. Where the contested judgment rests upon a failure to apply the law, or upon an incorrect application of the existing law or upon a violation of the obvious content of the record.
2. Where the procedure was lacking in important respects.

ARTICLE 287.

If the contested judgment is incorrectly designated as being final (art. 279), then an appeal is permissible; it must be filed within one year after the delivery of the judgment.

ARTICLE 288.

The decision shall be made on the basis of oral proceedings in a public session; in addition to the presiding officer or his substitute, two permanent members of the Imperial Insurance Office (*Reichsversicherungsamts*) and two judicial officials as well as one insurance representative each of the employers and the insured salaried employees shall be called in.

ARTICLE 289.

If a member of the superior arbitration court has been challenged because of reasons which justify his exclusion or because prejudice is apprehended, then the superior arbitration court shall decide on the application for disqualification. The member disqualified may not participate in the decision. In the case of a tie vote, the application shall be regarded as disallowed.

ARTICLE 290.

If the presiding officer agrees with the one making the report that the appeal is not permissible or is made too late, then he may disallow it without oral proceeding. If the appeal is disallowed as having been made too late then within one week after the delivery of the decision the applicant may appeal from the decision to the superior arbitration court; the decision must make reference to this fact.

ARTICLE 291.

The provisions in regard to the procedure before the arbitration court shall be correspondingly applicable to the procedure concerning reviews in so far as articles 292 to 296 do not prescribe otherwise.

ARTICLE 292.

The imperial chancellor shall specify in which order the official members and the insurance representatives shall be called into the proceedings.

ARTICLE 293.

PARAGRAPH 1. If the contested decision is reversed, then the superior arbitration court may itself either decide the case or return it to one of the lower bodies. In such cases it may order the granting of a provisional benefit.

PAR. 2. The office to which the case is referred is bound by the legal decision upon which the reversal of the contested judgment is based.

ARTICLE 294.

PARAGRAPH 1. The superior arbitration court shall publish those of its decisions which are of fundamental importance.

PAR. 2. The imperial chancellor shall specify the manner of publication.

ARTICLE 295.

PARAGRAPH 1. The decisions of the superior arbitration court shall be signed by the presiding officer, by the member making the report, and by one other member of the superior arbitration court.

PAR. 2. If the presiding officer or member making the report is prevented from signing, then another member of the superior arbitration court must sign for him.

ARTICLE 296.

The decision which rectifies a judgment (art. 264) shall be given out by the presiding officer and those members who have signed the judgment; such decisions may not be contested.

IV. REOPENING OF THE PROCEDURE.

1. GROUNDS FOR CONTEST.

ARTICLE 297.

PARAGRAPH 1. A procedure concluded by a valid judgment may be reopened—

1. If the judgment authority was not constituted according to regulations;
2. If a person had participated in the decision who was disqualified from participation on legal grounds, unless this objection has been brought forward without success either by means of a challenge or by the use of legal means;
3. If a person had participated in the decision in spite of the fact that such person had been challenged as prejudiced and the challenge was declared to have been well founded;
4. If a party was not represented in the proceedings according to the provisions of the law, in so far as he has not either expressly or tacitly approved of the conduct of the controversy.

PAR. 2. In the cases mentioned under Nos. 1 and 3, a reopening of the case is not permitted if the ground for contesting could have been made valid by legal measures.

ARTICLE 298.

The reopening is also permissible if—

1. A document on which the decision is based, was made out falsely or was forged;
2. In swearing to testimony or expression of opinion, on which the decision is based, the witness or expert has either willfully or negligently violated the obligation imposed by the oath;
3. The representative of the party or the opponent or his representative has secured the decision through an action subject to a public penalty;
4. A person had participated in the decision who had violated his official obligations against the party in the proceedings, in so far as such violation is subject to a public penalty;
5. A penal judgment on which the decision is based has been abrogated by another judgment which has become legally effective;
6. A party has subsequently discovered or has been placed in a position to use documents which would have brought about a more favorable decision.

ARTICLE 299.

The reopening is only permissible in the cases of article 298, Nos. 1 to 4, if—

1. A valid criminal sentence has been rendered on account of the penal act;
2. A judicial criminal procedure could not be instituted or concluded for reasons other than absence of proof.

ARTICLE 300.

The reopening is in all the instances mentioned in article 298 only permissible if the party without any fault of his own could not make effective the grounds for contesting in the earlier procedure and particularly by the inauguration of a legal remedy.

ARTICLE 301.

Together with the application for a reopening, the grounds for contesting which relate to an older decision of the same or of the lower authorities may be made valid if the contested decision is based on the older one.

2. COMPETENCE.

ARTICLE 302.

PARAGRAPH 1. That authority whose decision is contested shall decide upon the application.

PAR. 2. If several decisions are contested which have been issued by authorities of different rank, the decision shall rest with the authority of higher rank. The arbitration court shall decide in the place of the superior arbitration court if a judgment has been contested which was issued in a reviewing procedure on the basis of article 298, Nos. 1, 2, 5 or 6.

3. COURSE OF THE PROCEDURE.

ARTICLE 303.

PARAGRAPH 1. The application must be filed within one month.

PAR. 2. The time limit begins with the date on which the party learned of the grounds for contesting but not before the decision has become legally effective. After the expiration of 5 years from the date of validity, such application is not permissible.

PAR. 3. The provisions of paragraph 2 shall not be applicable if the reopening of the case is applied for on the ground of inadequate representation. The time limit then begins from the date on which the decision was delivered to the party or if the party was not himself able to prosecute his case then from the date on which the decision was delivered to his legal representative.

ARTICLE 304.

The reopening of the case may also be instituted by the officials on their own motion.

ARTICLE 305.

The provisions of article 329, paragraphs 2 and 3, in regard to the observance of the time limit, shall also be correspondingly applicable for the time limits mentioned in article 303 relating to forfeiture.

ARTICLE 306.

PARAGRAPH 1. If the application is delayed or is not permissible, then the presiding officer of the authority competent for making the decision may disallow it without oral proceedings by delivering a decision in which the grounds therefor are specified. The presiding officer of the superior arbitration court may take such action only if he concurs in the report of the member assigned to the case.

PAR. 2. Within one week after the delivery of the decision, the applicant may appeal to the competent authority against the decision. The decision must refer to this point.

ARTICLE 307.

PARAGRAPH 1. If the application has been made within the proper time and is permissible, then the principal matter in the case, in so far as the reasons for contesting affect it, shall be tried anew.

PAR. 2. In the new procedure, those provisions shall be applicable which are controlling for that authority in which the new procedure has been opened.

ARTICLE 308.

Legal remedies are permissible in so far as they are allowable against the decisions of the authorities which have to deal with the reopening.

FINAL PROVISION.

ARTICLE 309.

The reopening of the procedure may be regulated in a manner different from that specified in the preceding provisions by an imperial decree with the consent of the Federal Council.

V. CONTESTING FINAL DECISIONS.

ARTICLE 310.

PARAGRAPH 1. A new investigation may be applied for in opposition to a decision of legal effect if one of the conditions mentioned in articles 297 and 298 is present.

PAR. 2. The pension committee shall decide in regard to the application; articles 299 to 301 and 303 to 309 are correspondingly applicable.

VI. COSTS OF THE PROCEDURE.

ARTICLE 311.

If a party either through willfulness, obstructive measures, or deception, has caused costs in the procedure, then such costs may wholly or partly be imposed upon him.

ARTICLE 312.

In other respects, no costs of procedure shall be imposed upon the parties affected.

SECTION SEVEN.—PAYMENT OF THE BENEFITS.

I. PAYMENT THROUGH THE POST OFFICE DEPARTMENT.

ARTICLE 313.

PARAGRAPH 1. Upon authorization of the pension committee, the Imperial Insurance Institute shall make payments through the Post-Office Department, and as a rule through that post office in whose district the payee resides at the time of the application. The pension committee shall notify the payee of the office of payment.

PAR. 2. If the payee changes his residence, he may apply to the pension committee or to the post office of the former place of residence to have the payments transferred to the post office of the new place of residence.

ARTICLE 314.

Every person who is entitled to keep a public seal is authorized to make out the requisite certificates for payments and to certify them.

ARTICLE 315.

The highest postal authorities may collect an advance payment from the Imperial Insurance Institute. According to the choice of the Imperial Insurance Institute, this advance payment shall be transmitted quarterly or monthly to the offices designated by the Post-Office Department and may not exceed the amount which the Imperial Insurance Institute will probably have to pay during the current fiscal year.

ARTICLE 316.

The compensation to be paid to the Post-Office Department shall be determined by the Federal Council after a hearing of the Imperial Insurance Institute.

ARTICLE 317.

The imperial chancellor may specify how the payments are to be made to beneficiaries who customarily reside in a foreign country.

II. SETTLING OF THE POST-OFFICE ACCOUNTS.

ARTICLE 318.

The highest postal authorities shall report to the Imperial Insurance Institute what the Post-Office Department has paid out upon the order of the pension committees in the preceding fiscal year.

ARTICLE 319.

Within two weeks after the receipt of the communication the Imperial Insurance Institute must pay the amount from its available funds.

SECTION EIGHT.—OTHER PROVISIONS.

I. AUTHORITIES.

ARTICLE 320.

The highest administrative authority may transfer the rights and duties which this law imposes upon it to other authorities.

ARTICLE 321.

PARAGRAPH 1. The highest administrative authority shall specify the following:

1. By which State authorities and by which other authorities the duties shall be performed which this law imposes upon the higher and the lower administrative authorities as well as upon local police authorities;
2. Which unions shall be considered as unions of communes; a single commune shall be considered as a union of communes in the meaning of this law only in case the highest administrative authority shall so specify.

PAR. 2. These specifications shall be published in the Reichsanzeiger.

II. LEGAL ASSISTANCE.

ARTICLE 322.

PARAGRAPH 1. The public authorities are obliged to comply with the requests made in the execution of this law which come to them from the superior arbitration court, from the arbitration courts, from other public authorities and from

the official bodies of the Imperial Insurance Institute, and in particular to carry out the legal decisions and, even though not requested, to supply to the official bodies of the Imperial Insurance Institute all information which is of importance for the carrying out of its business. The same obligation rests upon the official bodies of the insurance carriers of the imperial workmen's insurance system.

PAR. 2. If a court declines to grant a request for taking testimony, then the State supreme court shall decide finally.

ARTICLE 323.

Per diem allowances, traveling expenses, fees for witnesses and experts, and all other cash expenditures arising out of legal assistance shall be repaid by the Imperial Insurance Institute as if they were incurred as its own administrative costs.

III. TIME LIMITS.

ARTICLE 324.

PARAGRAPH 1. If the beginning of a time limit is based on an event or on a date, then the time limit shall begin with the day following the event or the date.

PAR. 2. If a time limit is extended, then the new time limit shall begin with the expiration of the old one.

ARTICLE 325.

PARAGRAPH 1. A time limit specified by days shall end with the expiration of its last day, and a limit specified by weeks or months with the expiration of that day of the last week or the last month which corresponds to the name or numbered day on which the event or date falls.

PAR. 2. If the corresponding day is lacking in the last month, then the time limit shall end with the month.

ARTICLE 326.

If the period of time of months or of years is not required to be consecutive, then the month shall be computed as of 30 days and the year as of 365 days.

ARTICLE 327.

PARAGRAPH 1. If the day set for the statement of intention or for a payment, or for the expiration of a time limit falls upon a Sunday or upon a general holiday which is recognized in the place of declaration or of payment by the State, then the next following working-day shall take its place.

PAR. 2. This provision shall not be applicable for the duration of benefits to which the Imperial Insurance Institute is obligated.

ARTICLE 328.

PARAGRAPH 1. In so far as this law does not prescribe otherwise, legal steps are to be inaugurated within one month after the delivery of the contested decision.

PAR. 2. In the case of seamen sojourning outside of Europe, this time limit shall be specified by the office which has issued the contested decision; it must amount to at least three months after the date of delivery.

ARTICLE 329.

PARAGRAPH 1. Legal measures shall be inaugurated at that authority which is to give the decision.

PAR. 2. The time limit shall be considered as having been observed, if the legal measures have been received in due time by another German authority or by an official body of the Imperial Insurance Institute.

PAR. 3. The papers relating to the legal measures must be delivered to the competent body without delay.

ARTICLE 330.

The legal measures shall act as a stay only in cases where the law so prescribes.

ARTICLE 331.

PARAGRAPH 1. If an interested party, either by natural events or other unavoidable accidents has been prevented from observing a legal time limit in the procedure, then upon application he shall be reinstated to his former status.

PAR. 2. Upon application such reinstatement shall also be granted if the document which was received too late was mailed at least three days before the expiration of the time limit for delivery.

ARTICLE 332.

PARAGRAPH 1. In the case mentioned in article 331, paragraph 1, application for reinstatement must be made within a period whose duration shall be determined by the duration of the time limit lapsed. The time limit begins with the day on which the preventive cause is removed.

PAR. 2. In the cases mentioned in article 331, paragraph 2, the reinstatement must be applied for within one month. The time limit begins with the day on which the parties affected became aware that they had exceeded the time limit.

PAR. 3. After the expiration of two years from the end of the expired time limit, the reinstatement to former rights may no longer be applied for.

ARTICLE 333.

PARAGRAPH 1. The application for reinstatement shall—

1. State the facts which form the basis for the reinstatement;
2. Designate the means by which these facts may be proved;
3. Make good the acts which have been omitted if such has not already been done.

PAR. 2. The application shall be made to that authority where the time limit has been exceeded; article 329, paragraphs 2 and 3, are here correspondingly applicable. The decision rests with the authority which has to decide in regard to the action which has been made good.

ARTICLE 334.

PARAGRAPH 1. The proceedings in regard to the application shall be combined with that concerning the action which has been made good, though the application may first of all be discussed and decided alone.

PAR. 2. For the decision as to whether the application is permissible and the appeal therefrom, the same provisions shall be applicable as in the case of an action later made good.

IV. NOTIFICATIONS.

ARTICLE 335.

PARAGRAPH 1. Notifications which initiate a time limit may be made through registered letter.

PAR. 2. After two years from its making out, the post-office receipt justifies the presumption that the delivery has been made within the regular time limit.

ARTICLE 336.

PARAGRAPH 1. Persons not living in Germany must, upon demand, name an authorized agent to receive such notification.

PAR. 2. If his abode is unknown or if an authorized agent is not appointed within the time limit specified, then posting the notification for one week in the business offices of the authority or of the official body may be substituted for the delivery; the time limit may not be shorter than one month.

V. FEES AND STAMP TAXES.

ARTICLE 337.

Unless this law prescribes otherwise, all proceedings and documents which are required according to this law for the determination of the benefits by the competent authorities or which are required in order to determine the legal relations between the Imperial Insurance Institute on the one side and the employers and the insured persons or their survivors on the other side are exempt from fees and stamp taxes.

ARTICLE 338.

The same shall be applicable for proceedings out of court and documents of this kind as well as for such private authorizations and official certifications which according to this law are requisite for proof or for evidence.

VI. PROHIBITIONS AND PENALTIES.

ARTICLE 339.

If the employers make entries in the reports or notices which they have to make out according to the provisions of this law or according to the regulations of the Imperial Insurance Institute, the incorrectness of which they knew or under the circumstances must have known, or if they neglect either wholly or partly to make the prescribed entries, then the Imperial Insurance Institute may impose upon them fines of not more than 500 marks [\$119].

ARTICLE 340.

PARAGRAPH 1. If the employers neglect to transmit the contributions at the proper time for their employees subject to the insurance, or neglect to make use of the proper stamps (arts. 185 and 187), then the Imperial Insurance Institute may impose upon them fines of not more than 300 marks [\$71.40]. Independently of the fine and of the collection of the arrears, the Imperial Insurance Institute may impose upon a person so penalized the additional payment of one to two times these arrears. The amount shall be collected in the same manner as communal taxes.

PAR. 2. If the employer contests his obligation to make contributions, then the obligation shall be determined according to article 210.

ARTICLE 341.

The following shall be punished with fines up to 300 marks [\$71.40] or with arrest, unless according to other provisions of law more severe penalties are imposed:

1. Employers or their representatives who purposely deduct from the salaries of their employees higher contributions than this law permits;
2. Those persons who contrary to law withhold an insurance card from the person entitled thereto.

ARTICLE 342.

PARAGRAPH 1. Employers shall be punished with confinement in jail if they intentionally fail to use for the insurance those shares of contributions which they have deducted from the salaries of their employees or have received from them.

PAR. 2. In addition, a fine up to 3,000 marks [\$714] and the loss of civic rights may be imposed.

PAR. 3. In the case of mitigating circumstances the fine alone may be imposed.

ARTICLE 343.

In so far as this law imposes penalties upon employers, the following shall be considered as such:

1. The members of the directorate, if the employer is a stock company, a mutual insurance association, a registered cooperative society, a guild, or other legal person.

2. The business directors, if the employer is an association with limited liability.
3. All partners personally liable in so far as they are not excluded from the representation, if another type of business corporation is the employer.
4. The legal representatives of employers not legally competent to transact business or partially so, as well as liquidators of a business corporation, a mutual insurance association, a registered cooperative society, a guild, or any other legal person.

ARTICLE 344.

PARAGRAPH 1. The employer may transfer the duties which this law imposes upon him to the directors of the establishment, the supervisory personnel, or to other salaried employees of his establishment.

PAR. 2. If such representatives act contrary to the provisions which impose penalties upon employers, then the penalty shall apply to them. In addition to them the employer is also liable to punishment—

1. If the violation has occurred with his knowledge or,

2. If in the selection and supervision of his representatives, he has not observed the care required customarily; in such case no other penalty may be imposed upon the employer than the fine.

PAR. 3. The payment of one up to two times the arrears of contributions may also be imposed upon the representative (art. 340). In addition the employer is liable with him for this amount in case the employer is punished according to paragraph 2.

ARTICLE 345.

PARAGRAPH 1. The employers and their salaried employees as well as the Imperial Insurance Institute are prohibited from restricting the insured persons in the acceptance or execution of honorary offices in the insurance system for salaried employees, or from injuring them because of the acceptance or because of the nature of their administration of such honorary offices. The persons designated are further prohibited from excluding the insured person from the provisions of this law to his injury either by agreement or by working regulations, either wholly or partly.

PAR. 2. Provisions of contracts which are contrary to the above are void.

ARTICLE 346.

Employers or their salaried employees who violate article 345, paragraph 1, shall be punished with a fine of not more than 300 marks [\$71.40] or with arrest, unless according to other legal provisions more severe penalties are provided.

ARTICLE 347.

PARAGRAPH 1. Whoever makes prohibited entries upon insurance cards or places special marks upon them, may be punished by the pension committee with a fine of not more than 20 marks [\$4.76].

PAR. 2. The same penalty may be imposed upon the person who falsely fills out the blank spaces (*Vordruck*) upon insurance cards, or who fraudulently alters words or figures entered in filling out the blank spaces, or who knowingly uses such cards.

PAR. 3. An appeal against the decision of the pension committee may be made to the Imperial Insurance Institute. The latter shall decide finally.

ARTICLE 348.

PARAGRAPH 1. Whoever makes entries, marks or falsifications with the intention of making the holder known to employers shall be punished with a fine of not more than 2,000 marks [\$476], or with confinement in jail not to exceed six months. In case of mitigating circumstances the penalty may consist of arrest instead of confinement in jail.

PAR. 2. A prosecution for falsification of documents (articles 267 and 268 of the Imperial Penal Code) shall be instituted only against persons who have made false entries for the purpose of securing a pecuniary benefit for themselves or for others, or to inflict injury upon another.

ARTICLE 349.

PARAGRAPH 1. The persons named below, if they disclose without authority what they have learned while performing their official duty, about diseases or other invalidity of insured persons, or the causes thereof, shall be punished by fines not to exceed 1,500 marks [\$357] or by confinement in jail for not more than three months; prosecution shall be instituted only on application of the insured person or of the supervisory authority; these persons are:

A member of an administrative body or an employee of the Imperial Insurance Institute; a member or an employee of an authority which according to this law is competent for the determination of the benefits.

A representative or associate of such an authority.

PAR. 2. Other persons for whom this law provides a benefit from the Imperial Insurance Institute are considered as insured persons.

ARTICLE 350.

PARAGRAPH 1. The persons designated in article 349, paragraph 1, shall be punished with a fine of not more than 1,500 marks [\$357] or with confinement in jail if they disclose without authority business or trade secrets which have become known to them in their official capacity.

PAR. 2. If they do this in order to injure the employer or to procure for themselves or other persons pecuniary advantages they shall be punished with imprisonment. In addition to the imprisonment, the penalty may consist of loss of civic rights and of a fine of not more than 3,000 marks [\$714].

PAR. 3. In the case of paragraph 1, the prosecution shall be instituted only upon application of the employer.

ARTICLE 351.

The persons designated in article 349, paragraph 1, shall be punished with imprisonment if without authority they make use of business or trade secrets in order to injure an employer or to procure for themselves or other persons a pecuniary advantage. In addition to the imprisonment, the penalty may consist of loss of civic rights and a fine of not more than 3,000 marks [\$714] may be imposed.

ARTICLE 352.

If in the cases mentioned in article 350, paragraph 2, or in article 351, mitigating circumstances are present, then only a fine up to 3,000 marks [\$714] shall be imposed.

ARTICLE 353.

In the case of officials who are subject to the service regulations of a State or communal authority, the provisions in force for them take the place of articles 349 to 352.

ARTICLE 354.

Penalties of imprisonment for not less than three months and in addition loss of civic rights shall be imposed upon the one who makes counterfeit stamps or alters stamps with the purpose of using them as genuine, or whoever with the same purpose provides himself with counterfeit stamps, or uses or offers for sale or brings them into use.

ARTICLE 355.

The same penalty (art. 354) shall be imposed upon whoever knowingly makes use of stamps which have already been used, or procures the same for use again, or offers them for sale, or brings them into use. In case of mitigating circumstances a fine up to 300 marks [\$71.40] or arrest may be imposed.

ARTICLE 356.

In the cases mentioned in articles 354 and 355 steps must be taken for the seizing of the stamps, even if they do not belong to the person condemned. The same must also occur if no specified person can be prosecuted or condemned.

ARTICLE 357.

PARAGRAPH 1. Whoever manufactures without the written order of the Imperial Insurance Institute or of another authority the stamps, seals, cuts, plates, or other forms which can be used in the manufacture of stamps, or impressions of such forms, or procures them for himself, or hands the same over to persons other than the Imperial Insurance Institute or the authorities, shall be punished with a fine up to 150 marks [\$35.70] or with arrest.

PAR. 2. In addition to the fine or arrest, the seizing of the stamps, seals, cuts, plates, or other forms may be ordered, even if they do not belong to the person condemned.

ARTICLE 358.

The arbitration court shall decide finally on appeals against penalty decisions of the Imperial Insurance Institute.

ARTICLE 359.

PARAGRAPH 1. With the exception of those imposed by the courts, fines shall be turned into the treasury of the Imperial Insurance Institute.

PAR. 2. With the exception of those imposed by the courts, fines shall be collected in the same manner as communal taxes.

ARTICLE 360.

Contraventions of the penalty provisions of this law for which the courts are not competent expire by limitation in one year, if not punishable with a fine of more than 300 marks [\$71.40], otherwise in five years. The period of limitation begins with the day on which the act was committed. It is interrupted by any action directed against the violator by the bodies competent to impose a penalty. With the interruption begins a new period of limitation; it ends at the latest with the expiration of 10 years from the day on which the contravention took place.

ARTICLE 361.

Punishments imposed finally and not decreed by the courts expire by limitation in two years. The period of limitation begins with the day on which the decision became final. It is interrupted by any action directed to the execution of the punishment by the bodies charged with the execution. With the interruption begins a new period of limitation; it ends at the latest with the expiration of four years from the day on which the decision became final.

VII. FOREIGN LEGISLATION.

ARTICLE 362.

PARAGRAPH 1. So far as other countries have put into operation a system of relief corresponding to the insurance system for salaried employees, the imperial chancellor, with the approval of the Federal Council and with due regard to reciprocity, may make agreements as to what extent the relief shall be regulated according to this law or the relief provisions of the other country for establishments overlapping from the territory of one country into that of another, as well as for insured persons temporarily occupied in the territory of the other country.

PAR. 2. Likewise if there is a reciprocal consideration, the insurance of citizens of a foreign country may be regulated otherwise than according to the provisions of this law, and the operation of the relief of the one country be facilitated in the territory of the other. In these agreements the obligation of the employers to pay contributions according to this law must not be reduced or done away with. The Reichstag must be notified of these agreements.

ARTICLE 363.

With the approval of the Federal Council, the imperial chancellor may decree that a right to reimbursement may be exercised against subjects of a foreign State or their legal successors.

SECTION NINE.—FINAL AND TRANSITORY PROVISIONS.

I. COST OF THE FIRST ESTABLISHMENT.

ARTICLE 364.

The cost arising from the first establishment of the Imperial Insurance Institute shall be advanced from the Imperial Treasury. This shall be returned from the insurance contributions which first come in.

II. PRIVATE PENSION INSTITUTIONS.

1. SUPPLEMENTARY FUNDS.

ARTICLE 365.

PARAGRAPH 1. Factory funds, establishment funds, house funds, seamen's funds, and similar funds, for one or several undertakings may include the retirement and survivors' pensions of this law in the invalidity, old age or survivors' relief which they grant to their members insured according to this law. It is required in this case that the funds shall be created only for the persons designated in article 1, paragraph 1, as also that the share of the assets of the funds for the insurance system for salaried employees shall be separated, and be separately administered, and furthermore that the funds shall pay the contributions from their own resources and that the employers shall pay supplementary amounts to the funds which shall be equal to at least one-half of the contributions to be paid according to this law. The benefits specified in the constitution, if they are to be covered in participation with the Imperial Insurance Institute, shall be determined according to the procedure of this law; in case of controversy the decision will be made by the same procedure. The Imperial Insurance Institute shall transfer the amounts so determined, currently to the funds affected, in so far as they are borne by it according to articles 55 to 58. On application, payments shall be made through the Post-Office Department directly to the beneficiary. The other benefits of this law shall be granted directly to the insured members of the fund.

PAR. 2. If several funds are involved because they have paid contributions for the beneficiary to the Imperial Insurance Institute, then the Imperial Insurance Institute shall indicate to each individual fund what amount is placed to its credit, corresponding to the contributions paid in for the benefits of this law. In these cases, the total amount of the benefits of the imperial law shall be paid to the beneficiary through the post office upon order of the Imperial Insurance Institute.

ARTICLE 366.

PARAGRAPH 1. If within the first 10 years after this law comes into effect a disability of the kind described in this law, occurs to members of the funds designated in article 365, and if the funds according to their constitution must provide benefits in which the Imperial Insurance Institute does not participate, then the Imperial Insurance Institute shall make a single supplementary payment (*Zuschuss*) for defraying the benefits of the fund equal in amount to the net contributions plus the computable interest and compound interest.

PAR. 2. The superior arbitration court shall decide controversies in regard to the supplementary payment.

ARTICLE 367.

PARAGRAPH 1. The funds designated in article 365 are entitled to transfer to the Imperial Insurance Institute the payment of the benefits specified in their constitution, which they have granted before this law comes into force, by paying in the amount of capital necessary to cover them.

PAR. 2. By paying the corresponding premium reserve to the Imperial Insurance Institute, they can reduce the waiting term of their members or transfer all the claims to the Institute.

PAR. 3. The provisions of this law in regard to procedure shall be applicable as regards the determination of the benefits the payment of which has been turned over, and as regards the decision of controversies in this connection.

ARTICLE 368.

PARAGRAPH 1. The Federal Council may specify the details for the payment of contributions from the means of the fund (art. 365).

PAR. 2. After a hearing of the Imperial Insurance Institute, the Federal Council shall specify the principles for the computation of the supplementary payment (art. 366), as well as for the capital sum necessary to cover the benefits, and for the premium reserve (art. 367).

ARTICLE 369.

PARAGRAPH 1. In order to carry out the provisions of articles 365 to 367, the constitutions of the funds must be amended; the amendment must have the approval of the competent authority. The authority can itself undertake the amendment with the force of law if the fund declines to do so on application to this effect from the employers affected, or from a majority of the members.

PAR. 2. In the case mentioned in paragraph 1, sentence 2, the Federal Council shall specify the procedure before the Imperial Office for the Supervision of Private Insurance.

ARTICLE 370.

PARAGRAPH 1. Articles 365 to 369 are to be applied correspondingly to welfare institutions and to such insurance institutions which have been created for the persons designated in article 1, paragraph 1.

PAR. 2. Institutions which are administered by unions of communes may also be extended to include other persons.

ARTICLE 371.

PARAGRAPH 1. The provisions of articles 93 and 94 relating to transfer, assignment, attachment and deduction of insurance claims shall be correspondingly applicable for claims against supplementary funds. They are not applicable in so far as the benefits of the supplementary fund exceed the benefits of the imperial law.

PAR. 2. The highest administrative authority shall specify what authority is competent for the approval in accordance with article 93, paragraph 2.

2. SUBSTITUTE FUNDS.

ARTICLE 372.

PARAGRAPH 1. On application the Federal Council shall specify that insurance institutions of the kind designated in articles 365 and 370 may be admitted as substitute funds.

PAR. 2. The insurance institutions must have been in existence before the 5th of December, 1911, and must be capable of suing and being sued at the time of making the application. The application must be made before the 1st of January, 1913, to the Federal Council by the directorate of the insurance institution or by the majority of the salaried employees insured in it.

PAR. 3. In order to guarantee the payment of the contributions under the imperial laws in case the fund is not admitted, the insurance institution must deposit with the Imperial Insurance Institute a guaranty to be specified by the Federal Council after a hearing of the Imperial Insurance Institute.

PAR. 4. If the application for admission is refused, then the contributions in arrears subsequent to the time that the law came into force must be paid up, inclusive of $3\frac{1}{2}$ per cent interest and compound interest. The superior arbitration court shall decide in case of controversy in regard to the amount to be paid subsequently.

ARTICLE 373.

PARAGRAPH 1. Participation in an admitted substitute fund shall be considered as equal to insurance in the Imperial Insurance Institute. The same shall apply until the procedure concerning the admission is completed.

PAR. 2. The substitute funds must comply with the provisions of articles 374 to 378 and article 172, paragraph 2.

ARTICLE 374.

PARAGRAPH 1. All persons subject to insurance must belong to the insurance institutions which have been created for the establishments in which they are employed unless they are exempt from payment of contributions according to article 390.

PAR. 2. The provisions of paragraph 1 will be regarded as having been complied with, if in any one establishment several funds are present and each salaried employee subject to the insurance belongs to at least one of these funds.

PAR. 3. In the case of funds which have been created for several establishments, the joining of an establishment, which on December 5, 1911, was not yet under contractual obligation to the fund to insure in it the majority or a specified group of its employees, does not exempt the employees of this establishment from the obligation to insure in the Imperial Insurance Institute.

ARTICLE 375.

PARAGRAPH 1. The benefits of the fund must be at least equal in value to the benefits of the imperial law and must be guaranteed in this amount. The benefits for the purpose of medical treatment shall be considered as of equal value if in the first three years after this law comes into force at least 5 marks (\$1.19) per member of the insured salaried employees has been expended or has been accumulated. In the years following the average amount expended by the Imperial Insurance Institute per capita of the insured persons as given in the last published actuarial balance (art. 105) shall be used as the rate. The supervisory authorities competent for the substitute funds shall supervise the carrying out of this provision.

PAR. 2. The guaranty of the benefits can also be proved by reinsurance of the benefits obligatory to these funds according to paragraph 1 in a reinsurance federation (mutual insurance association) which funds of the kind designated in article 365 have formed, and which has been recognized by the imperial chancellor as solvent; this recognition is to be made dependent on the fact that through the reinsurance at the same time the claim of the Imperial Insurance Institute for the transfer of the capital sum necessary to cover the benefits (art. 384) has also been guaranteed.

ARTICLE 376.

PARAGRAPH 1. If the admission as a substitute fund is withdrawn or if the substitute fund is dissolved, then the obligation for payment of claims under the imperial law shall be transferred to the Imperial Insurance Institute. The premium reserves are to be transferred to the Imperial Insurance Institute from the assets of the substitute fund in an amount which corresponds to the obligation. Article 368, paragraph 2, is here correspondingly applicable.

PAR. 2. The superior arbitration court shall decide in case of controversy.

ARTICLE 377.

The contributions of the employers to the funds must be at least equal to the employers' contributions under the imperial laws, and in so far as the contributions of the insured persons are higher, they must equal the latter. The special expenditures made by the employers are to be computed equally against the contributions of the insured persons and the employers.

ARTICLE 378.

PARAGRAPH 1. In the administration of the funds and in the determination of the benefits of the fund, the insured persons must be granted a participation corresponding to the provisions of this law. The elections must be secret.

PAR. 2. As against the determination of the benefits of the fund, an appeal to the arbitration court within the time limits specified in article 328 is permissible and as against the decision of the court in the cases specified in this law, an appeal to the superior arbitration court is also permissible. The provisions of this law shall be correspondingly applicable in regard to the procedure.

PAR. 3. The funds must pay a lump sum specified by the Federal Council, after a hearing of the Imperial Insurance Institute, toward the cost of the arbitration courts and the superior arbitration court.

ARTICLE 379.

Article 371 is here correspondingly applicable.

ARTICLE 380.

In the computation of the waiting term, of the retirement pension and other pensions the contributory time accumulated in the substitute funds and in the Imperial Insurance Institute after this law comes into force, shall be included in the claim under the imperial laws.

ARTICLE 381.

PARAGRAPH 1. At least one-fourth of the assets of the fund in so far as they are intended for the insurance system for salaried employees must be invested in bonds of the Empire or of the Federal States. The competent supervisory authority shall supervise the carrying out of this provision.

PAR. 2. As long as the funds have not invested one-fourth of their assets under the provision in paragraph 1, they must each year invest not less than one-third of the increase of their assets in such bonds.

ARTICLE 382.

PARAGRAPH 1. If after this law has come into force, the insured person was insured in several recognized substitute funds or in the Imperial Insurance Institute and in one or several substitute funds, then the Imperial Insurance Institute is obligated to pay the benefits of the imperial laws to the beneficiary. These benefits shall be determined and authorized according to the provisions of this law by the competent pension committee. The substitute funds affected are to be called into the procedure according to articles 253 and 256; in addition each one of them is entitled to inaugurate legal measures. The substitute funds affected must transfer to the Imperial Insurance Institute, according to the provisions of articles 383 to 385, the benefits which have been determined and which are one of their charges.

PAR. 2. The benefits of the substitute funds as specified in their constitutions shall be reduced by the amount of the benefits to be covered by them under imperial law.

ARTICLE 383.

Whenever a member leaves a substitute fund, that fund must within one month after his leaving transmit a certificate to that effect to the Imperial Insurance Institute, which shall give information concerning the duration of membership since this law came into force as well as concerning the salaried classes in which the member would have been rated during this membership in the case of insurance in the Imperial Insurance Institute. A similar certificate is to be transmitted in case a member becomes disabled or dies who has been insured in several substitute funds or in the Imperial Insurance Institute and in one or several substitute funds.

ARTICLE 384.

PARAGRAPH 1. The capital sum for covering the benefits according to the imperial laws which are a charge against the substitute funds according to article 382, paragraph 1, must be transferred by them to the Imperial Insurance Institute within two weeks after they have received the request therefor. The Imperial Insurance Institute may extend this period by charging interest for the delay.

PAR. 2. The superior arbitration court shall decide as to the amount of the capital sum for covering the benefits in case of controversy.

PAR. 3. The capital sum for covering the benefits shall be collected in the same manner as communal taxes.

ARTICLE 385.

The Federal Council, after a hearing of the Imperial Insurance Institute, shall specify the form and contents of the certificate (art. 383) as well as the principles for the computation of the capital sum for covering the benefits (art. 384).

ARTICLE 386.

PARAGRAPH 1. If the certificate (art. 383) is not transmitted at the proper time to the Imperial Insurance Institute, then the Imperial Insurance Institute may impose a fine on the delinquent bodies of the substitute funds up to 20 marks (\$4.76).

PAR. 2. On appeal, the imperial chancellor shall decide finally.

PAR. 3. The fines shall be collected in the same manner as communal taxes.

III. PUBLIC LEGAL PENSION FUNDS.

ARTICLE 387.

PARAGRAPH 1. Invalidity relief, old age relief, and survivors' relief which miners' associations or miners' funds grant to their members insured under the provisions of article 1, paragraph 1, of this law may be reduced by the amount of the retirement pension and survivors' pensions as granted by this law. In this case the contributions for the insurance under imperial laws are to be paid from the means of the miners' association or the miners' fund; the employers' contribution must be equal to at least one-half of the contribution to be paid according to this law. The assets are to be accounted for separately in so far as they are intended for members insured according to article 1, paragraph 1, of this law, and likewise the other assets are to be similarly accounted for; in particular the contributions are to be determined separately.

PAR. 2. The benefits may also be reduced to a part of the amount specified in paragraph 1. In this case only a corresponding part of the contribution for insurance under the imperial laws is to be paid from the means of the miners' association or of the miners' fund; the employer's contribution must be equal to at least one-half of the contributions paid from the means of the miners' association or the miners' fund.

PAR. 3. The reduction of the benefits must take place at least in the same proportion as the benefits of the members who are not insured according to article 1, paragraph 1, of this law, and are reduced according to articles 1321 and 1322 of the Imperial Workmen's Insurance Code.

PAR. 4. The benefits which the miners' association or the miners' fund according to their constitution have granted before a decision of a competent official body or before this provision comes into force, may not be reduced.

PAR. 5. The requisite regulations are to be brought about by amendments to the constitution. If a decision as to the amendment of the constitution is not reached, then the highest administrative authority, upon the application of the majority of one of the two groups in the body which decides as to the amendment of the constitution, may specify whether and to what extent the benefits are to be reduced according to paragraphs 1 to 4. The majority of the members insured according to article 1, paragraph 1, of this law are also authorized to make such application.

PAR. 6. The Federal Council shall specify the details in regard to the payment of the contributions from the means of the miners' association or miners' fund.

PAR. 7. Article 365, paragraph 1, sentences 3 to 6, and paragraph 2, and article 366 and article 368, paragraph 2, are here correspondingly applicable.

ARTICLE 388.

PARAGRAPH. 1. On application of the directorate, the Federal Council shall decide whether the miners' associations or the miners' funds or federations of such bodies are to be admitted as substitute funds, if they comply with articles 375 and 377. The Federal Council may also specify the same upon application of the majority of the members insured according to article 1, paragraph 1, of this law. In this case the directorate is to be given a hearing.

PAR. 2. The guaranty of the benefits of the fund (art. 375, par. 2) can also be proved through a guaranty from a reinsurance federation of miners' associations or miners' funds or federations of such bodies, formed according to the law of the State.

PAR. 3. Article 373, paragraph 1, and articles 380 to 386 are here correspondingly applicable.

ARTICLE 389.

PARAGRAPH 1. Articles 365 to 377, 378, paragraph 1, and articles 379 to 386 are correspondingly applicable to other public legal pension institutions and for such funds which provide invalidity, old age and survivors' relief for which the obligation to make contributions exists according to local ordinance.

PAR. 2. In addition, communes, unions of communes, and other public legal bodies are authorized to deduct from the retirement pensions or survivors' pensions which they grant, the benefits of this law corresponding to the duration and the amount of their contributory payments.

IV. INSURANCE CONTRACTS WITH LIFE INSURANCE COMPANIES.

ARTICLE 390.

PARAGRAPH 1. Those salaried persons for whom previous to December 5, 1911, an insurance contract has been made with a public or private life insurance undertaking (art. 1 of the law on private insurance undertakings of May 12, 1901, *Reichs-Gesetzblatt*, p. 139) may on their application be exempted from payment of the contribution, if the annual amount of the contributions for such insurance at the time this law comes into force is at least equal to the contributions which they would have had to pay according to this law in proportion to their salaried receipts at the time of the application.

PAR. 2. The same shall apply to salaried persons who at the time they took up employment subject to the insurance had passed their thirtieth year of life and for at least three years have been insured in a manner corresponding to that mentioned in the first paragraph.

ARTICLE 391.

PARAGRAPH 1. The application for exemption from payment of contributions is to be noted in the first application card (art. 188). The insurance policy (certificate of acceptance and the like) is to be produced at the time of the application. The exemption is to be certified in the application and insurance cards.

PAR. 2. Controversies in regard to the exemption shall be decided according to article 210.

ARTICLE 392.

PARAGRAPH 1. In the cases mentioned in article 390, the employer is required to transmit to the Imperial Insurance Institute the share of the contributions due from him according to this law; for this, one-half of the benefits of this law shall be granted to the insured person.

PAR. 2. If the employer has paid a supplementary amount to the contributions for the insurance of his salaried employees (art. 390), then he may reduce the amount of this supplementary sum by the amount of the contributions which he has to pay to the Imperial Insurance Institute.

PAR. 3. On the application of the insured person, the Imperial Insurance Institute shall continue to pay to the life insurance company out of the employers' contributions (par. 1.) the amounts deducted from the supplementary sum in the following cases:

1. If the insurance still amounts to a sum corresponding to that specified in article 390;
2. If the insurance policy is deposited;
3. If, to guarantee a claim to retirement pension and survivors' pensions, the claim arising out of the insurance to that part which corresponds to the reduced amount of the employer's supplementary payment under the imperial laws, is assigned legally to the Imperial Insurance Institute.

PAR. 4. The Federal Council shall specify the details for carrying out these provisions. After a hearing of the Imperial Insurance Institute the Council shall determine the compensation which shall be paid by the life insurance companies for the payment of the contributions.

ARTICLE 393.

If the insurance (art. 390) before the occurrence of the death of the salaried person is suspended by expiration, by lapsing, or through other reasons, then the exemption from payment of the contributions ceases. The life insurance companies must notify the Imperial Institute (*Reichsanstalt*) of the cancellation of the insurance contracts, if they have been notified of the exemption of the salaried person from the payment of contributions. Contraventions shall be punished by the supervisory officials with a fine of not more than 100 marks [\$23.80].

V. VOLUNTARY INSURANCE.

ARTICLE 394.

PARAGRAPH 1. During the first year after this law comes into force, the Imperial Insurance Institute must, upon application, grant to the salaried persons with annual earnings of 5,000 to 10,000 marks [\$1,190 to \$2,380] permission to insure themselves according to the provisions of this law in regard to voluntary insurance, if they deliver proof that during the four calendar years preceding the coming into force of this law, they have carried on an employment subject to insurance according to the provisions of this law without considering their earnings and that they have carried on such occupation for at least 30 calendar months.

PAR. 2. The same right shall be granted to persons who have regularly employed in their establishments not more than three persons subject to the insurance under the presumption that they have carried on an occupation corresponding to the provisions of article 1 for at least 30 calendar months.

PAR. 3. The periods of time designated in article 51 are to be considered as equivalent to an employment subject to the insurance.

VI. REDUCTION OF THE WAITING TERM.

ARTICLE 395.

During the first three years after this law comes into force the Imperial Insurance Institute after a previous medical examination may permit individual salaried employees to reduce the waiting term necessary for receiving the benefits of this law by the payment of the corresponding premium reserve. Article 368, paragraph 2, is here correspondingly applicable.

ARTICLE 396.

PARAGRAPH 1. During the first 10 years after this law comes into force the accumulation of 60 contributory months on the basis of the insurance obligation shall be regarded as sufficiently complying with the waiting term for survivors' pensions (art. 48, No. 2).

PAR. 2. The widows' or widowers' pensions shall be computed according to a retirement pension which amounts to one-fourth of the value of the contributions made in the first 60 contributory months.

ARTICLE 397.

Salaried employees who at the time this law comes into force have already completed their fifty-fifth year, may upon their application be exempted from the insurance obligation, if the reduction of the waiting term is not granted them or is impossible for other reasons.

ARTICLE 398.

If the risk case for which the insurance is carried occurs within the first 15 years after this law comes into force, and no claim to the benefits can be made according to this law, then in the case of the death of the insured person the widow or widower, or in case such do not exist, the orphan children under 18 years of age shall have a claim to the repayment of one-half of the contributions paid in for the deceased person. In case of voluntary insurance, three-

fourths of the contributions paid in by the person voluntarily insured shall be repaid. The claim lapses if it is not made within one year after the death of the insured person.

VII. DATE OF LEGAL EFFECT.

ARTICLE 399.

PARAGRAPH 1. The provisions of this law which relate to the arrangements necessary for carrying the system of insurance for salaried employees into effect shall come into force on the day of the publication of this law.

PAR. 2. In other respects the time on which the law comes into force either wholly or partly throughout the Empire shall be specified by imperial decree with the approval of the Federal Council.

